



White Rock Minerals secures a strategic Victorian gold land package, mine and gold processing facility

Key Highlights

- Merger between White Rock and AuStar Gold now completed.
- The Merger adds a large under-explored 670km² gold exploration land package in Victoria.
- The Merger also adds a functional small-scale high-grade underground gold mine and gold processing facility.
- Immense regional and in-mine exploration opportunities exist.

White Rock Minerals Limited (ASX: WRM; OTCQX:WRMCF), ('White Rock' or 'the Company') is pleased to announce the completion of the Merger with AuStar Gold Ltd ('AuStar'). The Merger of White Rock and AuStar was completed on 23 August 2021 and White Rock assumed ownership on that day.

Overview

White Rock has now taken possession of the Woods Point Gold Project, an exciting asset that offers a significant value creation opportunity for Shareholders.

Woods Point includes a highly prospective exploration area of 670km² in one of Victoria's largest historic goldfields, as well as a past producing mine¹ that has produced over 800,000 ounces at an average grade of 26.5g/t and an 80,000tpa gravity gold processing plant. Importantly, it also comes with a highly skilled and qualified workforce of some 23 personnel.

This asset comes into White Rock at a time when Victorian gold exploration and production is experiencing an exciting renaissance, led by Fosterville and Costerfield, now among the ten highest grade gold mines globally. White Rock is taking a long-term view on this opportunity, and while our new mine also has potential to produce gold at grades that could see it in the top ten in Australia, the immediate focus is on ceasing production to divert the focus toward underground exploration with the goal of building a resource base sufficient to define a long-term production plan and ensure a sustainable and profitable operation.

¹ Refer Department of Primary Industries "Walhalla-Woods Point-Tallangalook Special map area geological report, Geoscience Victoria", Geological Survey of Victoria Report 127, 2006.

The regional landholding has geological similarities with the Costerfield Mineralogical Domain that also includes the Fosterville goldfield and presents a vast longer-term opportunity. White Rock intends to take some time to develop a strategic approach to its exploration plan to ensure that a systematic and modern exploration program is executed across both the regional and in-mine priority targets.

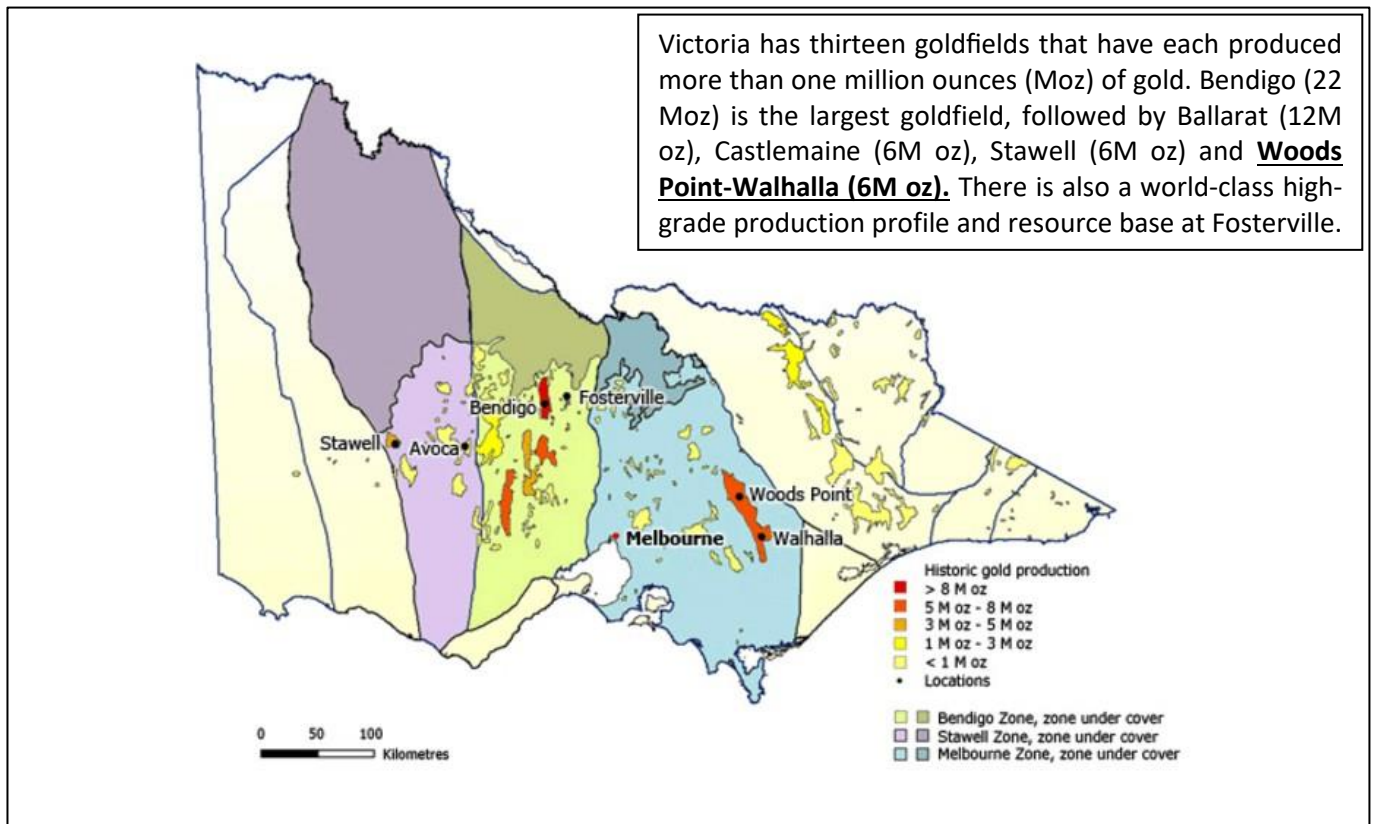


Figure 1 – Location of the Woods Point Gold Project (Source:- Earth Resources Victoria)



Kempe drilling underground



The Team on site on Day One of the Merger

Managing Director and CEO, Matt Gill said:

“The acquisition of the Woods Point Gold Project in Victoria offers significant opportunities in this undervalued, in demand, large, highly prospective exploration tenement package located in one of Victoria’s largest historical goldfields. The regional exploration and in-mine potential is significant, and any success here is enabled by the existence of an approved ML, and the small but high-grade functional underground gold mine (Morning Star) and its gold processing plant; Not many junior exploration companies can make that claim.

The addition of this asset compliments White Rock’s other assets – our silver-rich zinc VMS and IRGS gold project at Red Mountain in Alaska, and our advanced epithermal gold and silver project at Mt Carrington in NSW. One of White Rock’s strengths is its exploration, project development and mining expertise, and we intend to bring that to bear on this asset.

Importantly, given the Company is based in the historical gold mining town of Ballarat, having an asset on our doorstep ensures that we can manage and operate, even in this current restrictive COVID-19 environment.

We intend to pursue a systematic exploration program regionally, where the size of the prize is significant, as well as test the many opportunities that we believe still exist to be drilled and discovered underground at Morning Star.”

Dr Quinton Hennigh, advisor to White Rock’s major and strategic shareholder, Crescat Capital, said:

“The acquisition of AuStar gives White Rock control over one of the high-grade gems of the Victorian goldfields. As the acquisition is not expected to significantly impact White Rock’s current exploration momentum in Alaska, it gives White Rock Shareholders exposure to a potentially high-value year-round exploration asset in one of the most prolific gold belts on earth. Along with this comes the element of gold production at Morning Star which, after a hiatus while in-mine exploration drilling occurs, White Rock plans to ramp up to underpin White Rock’s cash flow going forward. Such an acquisition opportunity comes along rarely and is expected to help White Rock build a solid foundation upon which to grow”.

In-Mine exploration

Morning Star’s mine shaft descends 800 metres, with several stopes worked on by previous owners of the asset. The most notable previous owner was Gold Mines of Australia (GMA), the forerunner to one of Australia’s best known resources companies – Western Mining Corporation (WMC). There are considerable opportunities in several areas that have seen little work, in particular the Gap Zone.

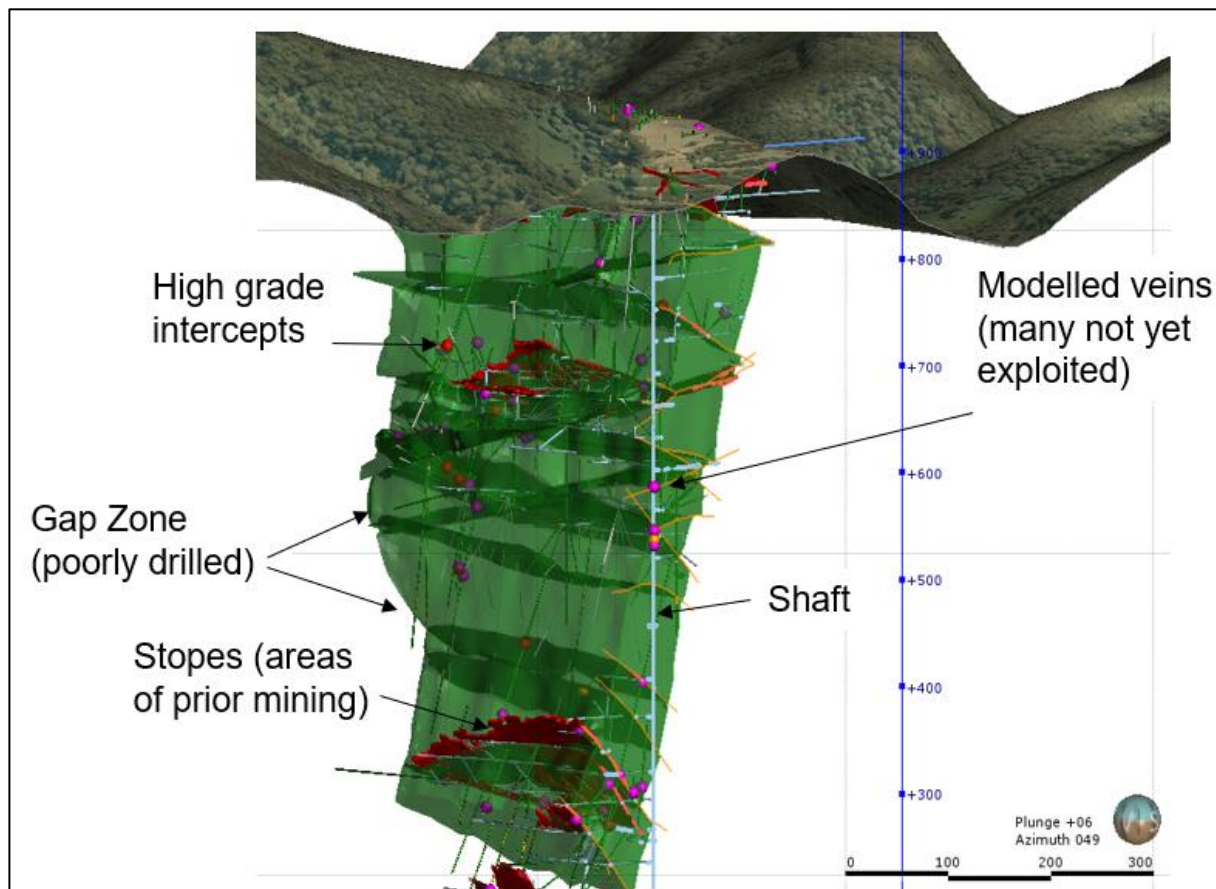


Figure 2 – 3D model of the Morning Star gold mine, dyke, known reefs and mine development.

Drilling has already commenced, with a second drill commencing soon. Drill results are taking less time in Victorian labs than in some other jurisdictions, which should support quicker turnaround and assay news flow going forward.

Structural studies using historical production figures and previous drilling will be done as a first step to understand what structures have the greatest grade and ounce potential, with the hope of defining future exploration targets for follow-up drilling.

Running two diamond drill rigs full-time underground, the focus will be to test the full length and depth across the Gap Zone as well as extensions to known reefs above 9 level yet to be fully tested.

While the gold processing plant is in good working condition, with recent improvements and planned modifications under consideration, better long-term economics are achievable by being disciplined enough to halt production while gold resources are defined, as opposed to pursuing a 'hand-to-mouth' approach that can be unpredictable and unfavourable for profitable mining and to Shareholders.

The Morning Star Mine shaft and gold processing facility



Regional exploration

While numerous historic prospects lie across the 670km² exploration package, minimal systematic prospect exploration has been done to date and public records of modern drilling shows sparse coverage. The area includes over 50 prospects², predominantly dyke-hosted quartz vein mineralisation, with the ‘prize’ being the discovery of another Walhalla’s Cohen Reef, a dyke–margin quartz reef with continuity over 1,500m at high grade (~1Mozs @ ~1oz/t).

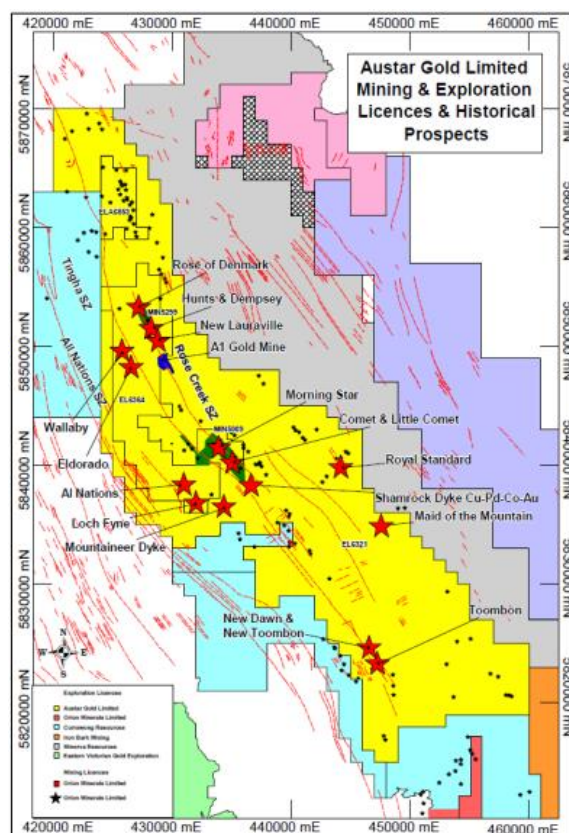


Figure 3 – Tenement map highlighting the Woods Point land package in yellow.

² Refer Department of Primary Industries “Walhalla-Woods Point-Tallangalook Special map area geological report, Geoscience Victoria”, Geological Survey of Victoria Report 127, 2006.

Systematic modern exploration using advanced geophysics, modern geochemical analysis and detailed structural studies will form the basis of the regional exploration approach. The terrain within the land package is extreme, and it will take time, commitment and energy to complete comprehensive systematic exploration to identify new targets.

White Rock's exploration strategy will provide a balance between near-term production opportunities in mine at Morning Star, near term drill targeting of historic prospects with high grade discovery potential and the longer-term generation of new targets over a multi-year exploration campaign.

Underground drilling at Morning Star is already underway. Drill testing of regional historic mine prospects is expected to commence over the coming summer months once permitting and access is established. The first priority target is the Wallaby prospect, followed by a pipeline of drill targets at other historic mine prospects and new targets generated from regional exploration activities.

Key benefits to investors

White Rock investors benefit from this project's inclusion in the company portfolio in a number of ways:

Firstly, there are clear benefits in applying a better capitalised balance sheet to an undervalued high-quality asset that has seen little investment.

Taking a new exploration and mining approach and capital to the Woods Point Gold Project to build resource inventory through underground exploration and define a production plan, could create significant Shareholder value. The longer-term potential of regional exploration brings an additional value generator to the project.

In addition, in a World hamstrung by COVID restrictions, there are improved logistics in managing a Victoria-based project, given management and team are Victoria-based and bring rich Victorian gold experience and networks.

Additionally, Woods Point will deliver year-round news flow, which will help offset the seasonality of news flow from our Alaskan project, Red Mountain / Last Chance.

Through the Merger, White Rock also emerges as a larger, formidable ASX and OTCQX listed player, with greater optionality and more diverse assets.

White Rock management are very pleased to have concluded the Merger, and to provide investors with the chance to benefit from this opportunity.

This announcement has been authorised for release by the board.

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About White Rock Minerals

White Rock Minerals is an ASX listed explorer and near-stage gold producer with three key assets:

- **Woods Point** – New asset: Victorian gold project. Bringing new strategy and capital to a large exploration land package and high-grade mine (past production >800 Koz @ 26g/t).
- **Red Mountain / Last Chance** – Key Asset: Globally significant zinc–silver VMS polymetallic and IRGS gold project. Alaska – Tier 1 jurisdiction.
- **Mt Carrington** – Near-term Production Asset: “Shovel Ready” advanced gold and silver asset being advanced by JV partner.

