

ASX and Media Release: 10 July 2018
ASX Code: WRM

White Rock enters into a strategic relationship with Sandfire

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Issued Securities

Shares: 1,256 million
Options: 380 million

Cash on hand (31 Mar 2018)

\$1.8M

Market Cap (9 July 2018)

\$12.5M at \$0.01 per share

Directors & Management

Brian Phillips
Non-Executive Chairman

Matthew Gill
Managing Director &
Chief Executive Officer

Peter Lester
Non-Executive Director

Ian Smith
Non-Executive Director

Jeremy Gray
Non-Executive Director

Shane Turner
Company Secretary

Rohan Worland
Exploration Manager

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White Rock Minerals Limited (ASX:WRM) (**White Rock**) is pleased to announce a cornerstone investment and strategic relationship with Sandfire Resources NL (ASX:SFR) (**Sandfire**). The parties have entered into a subscription agreement to formalise this strategic relationship in relation to White Rock's globally significant high-grade zinc VMS Red Mountain Project in Alaska (**Red Mountain Project**).

This agreement enables the Company to benefit from Sandfire's significant technical expertise to develop the Red Mountain Project as well as further strategic support as the Company moves to unlock the potential from its large strategic land holding.

MD & CEO Matt Gill said "White Rock welcomes Sandfire as a strategic partner and cornerstone investor that shares White Rock's vision for the exploration and development of the Red Mountain Project. Securing a high-quality partner with world leading expertise in the exploration and development of base metals projects is a strong endorsement to the quality and potential of White Rock's globally significant high-grade zinc VMS Red Mountain Project. White Rock looks forward to collaborating with Sandfire Resources as part of this new strategic relationship."

The strategic relationship comprises the following elements:

- **A\$2.5 million equity placement** - a placement of 208,333,334 fully paid ordinary shares in White Rock at A\$0.012 (1.2 cents) per share and the issue of 104,166,667 unlisted options to subscribe for White Rock shares to raise A\$2.5 million. **The issue price of the shares represents a 41% premium over the one-month volume-weighted-average price of White Rock shares (0.85 cents) up to and including 9 July 2018.** The options have an exercise price of A\$0.02 (2 cents) and expire 3 years from the date of the agreement. Following completion of the share placement, Sandfire will own approximately 14.2% of White Rock. The proceeds will be used to advance exploration activities at the Red Mountain Project and for general working capital purposes. No shareholder approval is required for the placement.
- **Technical Collaboration** - the formation of a technical committee for the purposes of jointly collaborating in connection with the Red Mountain Project including identifying best options for advancement of the Project.
- **Option for Earn-in and Joint Venture over Red Mountain Project** - Sandfire will have the right and exclusive option to enter into an earn-in joint venture agreement in relation to the Red Mountain Project, which option may be exercised prior to 31 December 2018. If the option is exercised, the parties will negotiate, agree the form of and enter into an earn-in and joint venture agreement reflecting the following principles:

- **Stage 1:** Sandfire to fund a total of A\$20 million over four years to earn 51%, with a minimum expenditure by Sandfire of A\$6 million in Year One.
 - **Stage 2:** Sandfire to fund a further A\$10 million and deliver a pre-feasibility study over an additional two years to earn 70%, which may be extended by Sandfire for a further year in certain circumstances.
 - **Stage 3:** White Rock may elect to contribute to the joint venture. If White Rock elects not to contribute, Sandfire can solely fund Stage 3 to earn 80% by completion of a definitive feasibility study.
 - **Stage 4:** White Rock may elect to contribute to the joint venture. If White Rock elects not to contribute, Sandfire will earn 90% and White Rock's 10% interest will be earned from project cash flow.
 - **Project Management:** White Rock is entitled to continue managing the project for at least the first year of the earn-in and to be paid a management fee. Ongoing management responsibility of the project will be subject to annual review and after the first year will be at Sandfire's election.
- **Anti-dilution Protection** - an anti-dilution right enabling Sandfire to maintain its interest in White Rock, subject to obtaining an appropriate ASX waiver.
 - **Board Nomination Right** - a board nomination right enabling Sandfire to nominate a non-executive director to White Rock's Board should Sandfire's shareholding interest in White Rock reach 15%.

About Sandfire Resources NL:- Sandfire is a leading mid-tier Australian mining company focused on discovering, developing and operating high quality resource assets capable of delivering substantial returns for its shareholders. Sandfire is a leading Australian copper producer which operates the high-grade DeGrussa Copper-Gold Mine, 900 km north of Perth in Western Australia. Sandfire has a growing portfolio of exploration interests and joint ventures in highly prospective mineral provinces around Australia and overseas.

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

or contact:

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