

White Rock Minerals Ltd: Joint Venture Agreement Signed with Sandfire Resources:

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Ballarat, Australia - [White Rock Minerals Ltd.](#) (ASX:WRM) (White Rock) and [Sandfire Resources NL](#) (ASX:SFR) (Sandfire) have joined forces to fund the exploration and development for new high-grade zinc and precious metals volcanogenic massive sulphide (VMS) deposits at Red Mountain in central Alaska (Red Mountain Project). There are already two high grade deposits at the project with an Inferred Mineral Resource of 9.1 million tonnes @ 12.9% ZnEq for 1.1Mt of contained zinc equivalent.

Highlights

- White Rock has signed an Earn-In and Joint Venture Option Agreement to permit Sandfire to farm-in to its interests in the Red Mountain Project including high grade zinc-rich VMS mineralisation at the Dry Creek and West Tundra deposits and the newly discovered Hunter prospect.
- Sandfire can earn up to 51% of White Rock's interest in its Red Mountain Zinc-Silver-Lead-Gold-Copper Project by spending A\$20M on exploration over four years (Stage One).
- As a part of Stage One, a minimum of A\$6M is required to be spent on the project in Year One (2019).
- Sandfire can then elect to increase its interest in the Red Mountain Project to 70% by sole-funding a further A\$10M and by delivering a pre-feasibility study with an Ore Reserve within a further two years.
- White Rock can then elect to contribute its percentage share of expenditure to retain its 30% interest.
- The Red Mountain Project includes a 475km² tenement package covering numerous historic VMS prospects with little modern exploration, providing Sandfire and White Rock with a large strategic footprint over a potential new VMS district.

MD & CEO Matt Gill said "White Rock welcomes Sandfire as a joint venture partner that shares White Rock's vision for the exploration and development of our exciting 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 our globally significant high-grade zinc VMS Red Mountain Project.

It is significant for White Rock shareholders that the terms of the Agreement with Sandfire provide a funding pathway to advance the Red Mountain Project through exploration to the point of advanced development studies and allow White Rock to retain a 30% interest in any project development at the point when the economics of a project are well defined by a Pre-Feasibility Study.

The prospectivity of the Red Mountain Project was well illustrated by last year's field season activities that included drill hole results returning in excess of 17% zinc, 6% lead, 1,000 g/t silver, 6 g/t gold and 1.5% copper and the discovery of new massive sulphide mineralisation at the Hunter prospect. The 2019 field season promises more exciting results with plans for a modern airborne EM survey, ahead of a 24-man field camp being established with surface crews completing mapping, geochem sampling, CSAMT geophysics and drilling.

We look forward to working with our strategic partner Sandfire and progressing this highly prospective project with the commencement of this program and the subsequent news flow that will result."

Earn-In and Joint Venture Option Agreement

White Rock has entered into an Earn-In and Joint Venture Option Agreement (Agreement) with Sandfire. This Agreement relates to the parties' previously announced proposed joint venture (Joint Venture) for the exploration and development of the Red Mountain Project.

Sandfire's Joint Venture funding obligations under the Agreement are structured across four stages as previously announced and include an option to spend a minimum of A\$20M over four years to earn 51%,

with a minimum contribution of A\$6M in 2019. The key terms of the Joint Venture are set out below.

Joint Venture Structure

The Joint Venture will be incorporated and operated through a USA organised limited liability company ("LLC"). A wholly owned subsidiary of Sandfire will initially hold a 15% membership interest in the LLC in exchange for the commitment to provide the Minimum Contribution (approximately A\$6M - see below) and a wholly owned subsidiary of White Rock will hold the remaining 85% membership interest, in exchange for procuring that the Red Mountain Project assets are transferred into the LLC. The Manager of the LLC will be appointed by White Rock during the first year of the Option period and thereafter by Sandfire. The Manager is entitled to a Management Fee.

Key Terms of the Joint Venture

Sandfire's Joint Venture funding obligations under the Agreement are structured across four stages:

- Stage 1 - Initial Contribution

Under the terms of the Agreement, Sandfire is granted an option to acquire (through its subsidiary) a 51% interest in the LLC (Option), in consideration for providing funding to the LLC totalling US\$14.4 million (approx. A\$20 million) over four years (Initial Contribution), with a minimum contribution by Sandfire of US\$4.32 million (approx. A\$6 million) in Year One (Minimum Contribution). The Option expires on the fourth anniversary of the date of the Agreement.

Sandfire may withdraw from the Joint Venture at any time before the expiry of the Option period on four months' notice, provided it has funded the Minimum Contribution and complied with other obligations in the Agreement. If Sandfire gives a notice of withdrawal after 29 February 2020, it must contribute US\$2.16 million (A\$3M) (in addition to the Minimum Contribution) prior to withdrawing from the Joint Venture. If Sandfire does not exercise the Option, it will forfeit its entire interest in the LLC.

After funding the Initial Contribution, Sandfire may elect to exercise its Option to acquire a 51% membership interest in the LLC.

Stage 2 - Pre-Feasibility Study

In order to complete Stage 2, the Manager is required to deliver a pre-feasibility study for the Red Mountain Project and Sandfire must contribute an additional US\$7.2 million (approx. A\$10 million) in funds to the LLC over a two-year period. Subject to Sandfire funding and completing Stage 2 it will earn an additional 19% in the LLC, bringing its total membership interest to 70%.

Should Sandfire elect to withdraw from the Agreement during Stage 2, then it shall retain a 51% membership interest, which shall be subject to dilution.

Stage 3 - Definitive Feasibility Study

Stage 3 commences upon Sandfire completing Stage 2 and continues until the Manager delivers a definitive feasibility study (DFS). During Stage 3, White Rock may elect to contribute its percentage share (i.e. 30%) of expenditure. If White Rock elects not to contribute, Sandfire is required to sole fund Stage 3 expenditure and will earn an additional 10% interest in the LLC (bringing its total interest to 80%).

Should Sandfire elect to withdraw from the Agreement during Stage 3, then it shall retain a 70% membership interest, which shall be subject to dilution.

Stage 4 - Development

Stage 4 commences upon the approval of the DFS by the Management Committee and continues through development to commencement of commercial production. During Stage 4, White Rock may elect to contribute its percentage share of expenditure (based on its percentage interest in the LLC at that time). If White Rock does not elect to contribute, Sandfire will be required to sole fund Stage 4 expenditure for an additional 10% interest in the LLC (bringing its total interest to 90%, assuming White Rock did not contribute during Stage 3) and White Rock must repay 10% of the total development expenditure to Sandfire from 65% of its share of the project cash flow. Alternatively, the parties may cooperate in seeking project financing for the Stage 4 expenditure.

The Agreement includes customary covenants, warranties and indemnities given by both parties, as well as customary provisions relating to (among other things) the management of the LLC, the granting of security

over each party's interests, dilution of interests, force majeure, winding up of the LLC and consequences of default by a party.

About Sandfire Resources NL:- Sandfire is a leading Australian copper producer which operates the high-grade DeGrussa Copper-Gold Mine, located 900km 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. Further details can be found on Sandfire's website www.sandfire.com.au.

To view the release with tables and figures, please visit:
<http://abnnewswire.net/lnk/8SBP51NU>

About White Rock Minerals Ltd:

[White Rock Minerals Ltd.](#) (ASX:WRM) is an Australian listed minerals exploration and development company with projects located in northern NSW (gold and silver) and central Alaska (zinc, silver, lead and gold). The White Rock vision is to explore and develop both precious and base metal projects.

White Rock's cornerstone asset is the Mt Carrington epithermal gold-silver project in northern NSW. The Mt Carrington project has great leverage to the Australian gold and silver prices with a positive scoping study providing a path towards feasibility studies and development in the near term.

White Rock is also exploring the Red Mountain project in Alaska. Red Mountain is a globally significant advanced VMS project with high grade zinc and silver in two deposits. White Rock is exploring for additional high grade deposits that will enhance the projects leverage to an upturn in the fortunes of zinc and silver.

Source:

[White Rock Minerals Ltd.](#)

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