

Convertible Loan Agreement

ASX Code: WRM

Issued Securities

Shares: 1,636 million
Options: 570 million

Cash on hand (30 June 2018)
\$1.98M

Market Cap (21 August 2018)
\$14.7M at \$0.009 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 Ltd (ASX:WRM) (**White Rock**) is pleased to announce that it has secured an additional \$1 million in funding to support its exploration activities at its globally significant high-grade zinc VMS Red Mountain Project in Alaska (**Red Mountain Project**).

White Rock has entered into an unsecured convertible loan agreement (**Convertible Loan**) with Sandfire Resources NL (ASX:SFR) (**Sandfire**) providing for two loans of \$500,000 each. As announced on 10 July 2018, White Rock has formed a strategic relationship with Sandfire in relation to the Red Mountain Project.

Funds from the Convertible Loan are to be used for the exploration and development of the Red Mountain Project.

MD & CEO Matt Gill said "This funding from Sandfire is further endorsement on the quality and prospectivity of our high-grade zinc and precious metals VMS project in Alaska. With this funding, we have now been able to extend our drilling campaign into September and ramp-up our reconnaissance mapping and geochemical sampling works 3-fold, this work already credited with one massive sulphide discovery - Hunter. This funding will help White Rock continue implementing key exploration and development activities at Red Mountain and sets us up well for next year's campaign".

Key terms of the Convertible Loan are:

- **Set-off against joint venture:** If Sandfire exercises its option to enter into a joint venture agreement (**Project Option**) in relation to the Red Mountain Project (refer to White Rock's announcement of 10 July 2018 for further details) by 31 December 2018, then the full amount of the loans will be set-off against Sandfire's expenditure commitments under that joint venture agreement.
- **Conversion to shares:** If Sandfire fails to exercise its Project Option:
 - Loan A will automatically convert into White Rock ordinary fully paid shares at the conversion price of A\$0.012 (1.2 cents) per White Rock share (being approximately 41,666,666 shares); and
 - subject to White Rock obtaining shareholder approval for Listing Rule 7.1 (and for all other purposes), Loan B will automatically convert into White Rock shares at the lower of A\$0.012 (1.2 cents) per White Rock share or the 30-day volume weighted average price of White Rock shares calculated at the relevant time.
- **Repayment:** If Loan B cannot be converted in entirety or otherwise (for example, if White Rock shareholder approval for the conversion was not obtained), then to the extent it cannot be converted the balance of Loan B must be repaid in cash by 30 November 2019.

- **Interest:**
 - Loan A will be interest free.
 - Loan B will be interest free until 28 February 2019, following which it will accrue interest at a rate of 5% per annum calculated daily.
- **Events of default:** The Convertible Loan contains customary events of default (including change of control and an insolvency event of White Rock) that result in the conversion of the Loans and the issue of the relevant number of ordinary shares to Sandfire at the corresponding issue price and to the extent White Rock cannot issue shares to Sandfire, any remaining amount owing will be immediately repayable in cash.

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

or contact:

Matt Gill (MD & CEO) or Shane Turner (Company Secretary)

Email: info@whiterockminerals.com.au