ASX Announcement

3 July 2023
ASX: WMC

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ASX ANNOUNCEMENT

Second Creditors' Meeting Called with DOCA Proposal Recommended by Administrators

The Voluntary Administrators* ("**Administrators**") of Wiluna Mining Corporation Limited (Administrators Appointed) and its subsidiaries in the attached schedule (together, "**Wiluna**" or "**Wiluna Mining Group**") provide the following update on the Voluntary Administration process.

Pursuant to section 75-225 of the *Insolvency Practice Rules (Corporations) 2016*, the Administrators issued their report to creditors ("**Report**") on Friday, 30 June 2023 ahead of the concurrent second meeting of creditors to decide the future of Wiluna.

The concurrent second meeting of creditors has been scheduled for 7 July 2023.

The Report includes the indicative terms of a Deed of Company Arrangement ("**DOCA**") proposal ("**DOCA Proposal**") that the Administrators recommend that creditors vote in favour of at the second creditors' meetings.

Key features of the DOCA Proposal, if approved and the full form DOCA is executed and implemented, contemplate (among other things):

- the establishment of a creditors' trust fund with approximately A$1.8m to be immediately applied towards claims of unsecured creditors (currently estimated to provide a return in the order of 5c in the dollar, subject to formal proofs being submitted and adjudicated), with a mechanism to enable Wiluna to continue to repay the balance of the claims of the participating creditors in certain circumstances;
- the establishment of a cash sweep at the end of each financial quarter with a cash sweep amount to be used to pay off the secured debt and, after the secured debt has been repaid, contributed to the creditors' trust fund (up to a specified cap) to be used to repay the balance of the claims of the participating creditors;
- a new loan of approximately $6.667m being agreed with existing shareholders to build and commission additional CIL (carbon-in-leach) tanks and associated infrastructure at the project ("**CIL Loan**"). The CIL loan amount may be converted into Wiluna shares at the same time as the proposed capital raising (see below) at a discounted price;
- Wiluna and its secured creditor, Mercuria Energy Trading Pte Ltd, agreeing to revised terms of the Facility Agreement between the parties, aligned with the relevant terms of the DOCA and the future performance of Wiluna, including a restructure of the repayment schedule;
- certain contractual counterparties agreeing to either forbear from enforcing their rights under their respective agreements for an agreed period of time and/or restructure their respective agreements;
- that the Administrators will become Deed Administrators and Trustees of the creditors' trust fund allowing the business of Wiluna to continue to operate, and have the benefit of usual rights of indemnity and lien over the assets of Wiluna and the creditors' trust fund;
- the Deed Administrators obtaining any relevant shareholder/regulatory relief to permit the implementation of the DOCA;
- the appointment of one or more suitably qualified directors to the boards of directors of Wiluna;
- the Deed Administrators using reasonable endeavours to cause Wiluna to undertake a capital raising by 31 December 2024; and

- DOCA participating creditors being entitled to convert their outstanding right and entitlement to receive a distribution from the creditors' trust fund into Wiluna shares at the same time as the proposed capital raising at a discounted price, subject to an overall cap on the total value able to be converted.

If approved, it is intended that the DOCA Proposal will be implemented as part of a broader strategic turnaround plan involving the Wiluna Mining Group's key partners and stakeholders.

If the DOCA Proposal is approved and the DOCA is executed, it is anticipated that a notice of meeting seeking shareholder approval for certain aspects of the DOCA in accordance with the ASX Listing Rules and the Corporations Act will be circulated to Wiluna's shareholders at an appropriate time. The notice of meeting will provide details regarding the approvals being sought.

A copy of the Report is available for download from the FTI Consulting Creditors Portal at https://www.fticonsulting.com/creditors/wiluna-group.

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Contact Details

For further information, enquiries can be directed as follows:

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The release of this announcement has been approved by the Voluntary Administrators*
*Michael Ryan, Kathryn Warwick, Daniel Woodhouse and Ian Francis, all Senior Managing Directors of FTI Consulting, were appointed as Voluntary Administrators on 20 July 2022

Annexure A - Wiluna Mining Group – Entities over which the Administrators are appointed

Company	**ACN**
Wiluna Mining Corporation Limited	119 887 606
Wiluna Operations Pty Ltd	166 954 525
Wiluna Gold Pty Ltd	153 919 549
Kimba Resources Pty Ltd	106 123 951
Zanthus Energy Pty Ltd	129 728 374
Lignite Pty Ltd	128 111 204
Scaddan Energy Pty Ltd	128 388 634

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ANNEXURE B - MINERAL RESOURCES AND ORE RESERVES

MINERAL RESOURCE STATEMENT

Table 1: Mineral Resource Statement (ASX Announcement 17 November 2021)

WILUNA MINING CORPORATION LIMITED RESOURCE SUMMARY AT 30 JUNE 2021												
Mining Centre	TOTAL MINERAL RESOURCES											
	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz AU	Mt	g/t Au	Koz AU	Mt	g/t Au	Koz AU	Mt	g/t Au	Koz AU
Wiluna	0.26	1.66	14.00	18.90	4.46	2,715.00	16.80	3.30	1,784.00	36.00	3.90	4,514.00
Matilda	0.03	2.18	2.00	1.24	1.72	68.00	0.88	2.71	76.00	2.14	2.13	147.00
Lake Way	0.27	1.73	15.00	0.68	2.27	50.00	2.11	1.56	106.00	3.06	1.74	171.00
Galaxy	0.01	1.87	1.00	0.03	2.24	2.00	0.11	3.35	12.00	0.15	3.02	15.00
Sub Total	**0.57**	**1.73**	**32.00**	**20.85**	**4.22**	**2,835.00**	**19.90**	**10.92**	**1,978.00**	**41.35**	**10.79**	**4,846.00**
Tailings and Stockpiles												
Tailings	-	-	-	33.20	0.57	6.11	-	-	-	33.20	0.57	611.00
Stockpiles	0.86	0.92	25.00	3.03	0.50	49.00	-	-	-	3.89	0.59	74.00
Sub total	**0.86**	**0.92**	**25.00**	**36.20**	**0.57**	**660.00**	**-**	**-**	**-**	**37.10**	**0.58**	**685.00**
Global Total	**1.43**	**1.24**	**57.00**	**57.10**	**1.91**	**3,495.00**	**19.90**	**10.92**	**1,978.00**	**78.40**	**2.19**	**5,531.00**

Notes to Table 1:

1. Tonnes are reported as million tonnes (Mt) and rounded to three significant figures; gold (Au) ounces are reported as thousands rounded to the nearest 1,000.
2. Data is rounded to reflect appropriate precision in the estimate which may result in apparent summation differences between tonnes, grade, and contained metal content.
3. Mineral Resource at each Mining Centre in (Table 1 only) reported at cut-offs related to material type inside A$2,750 optimised pit shells (> 0.35 g/t for oxide and transitional material, and >0.70 g/t for fresh rock), and >2.3 g/t below the pit shells.

ORE RESERVE STATEMENT

Table 2: Ore Reserve Statement (ASX Announcement 12 April 2022)

WILUNA MINING CORPORATION ORE RESERVE SUMMARY AT 30 JUNE 2021									
MINING CENTRE	Proved			Probable			Total		
	Mt	g/t AU	Koz	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Wiluna[3]	0.20	1.80	11.80	6.58	4.09	865.20	6.78	4.02	876.90
Stockpiles	0.37	0.98	11.80	-	-	-	0.37	0.98	11.80
Wiltails[4]	-	-	-	29.61	0.56	535.60	29.61	0.56	535.60
Total	**0.58**	**1.27**	**23.60**	**36.19**	**1.20**	**1,400.70**	**36.76**	**1.20**	**1,424.30**

Explanatory Notes:

[1] The reported Mineral Resources are inclusive of the Ore Reserves.

[2] Tonnes are reported as million tonnes (Mt) and rounded to the nearest 10,000; grade reported in grams per tonne (g/t) to the nearest hundredth gold (Au) ounces are reported as thousands rounded to the nearest 100.

[3] Wiluna Reserves includes mining from open pit and underground deposits.

[4] Wiltails Ore Reserve includes reclaimed tailings material in Dam C, Dam H, TSF West and backfilled pits at Adelaide, Golden Age, Moonlight, and Squib.

The information in this announcement that relates to Mineral Resources of the Company has been extracted from the ASX release by the Company entitled "Mineral Resource Update" dated 17 November 2021 available on the ASX website (at www.asx.com.au) and the Wiluna Mining website (at https://wilunamining.com.au/) ("Mineral Resource Announcement"). The information in this announcement that relates to Ore Reserves of the Company has been extracted from the ASX release by the Company entitled "Ore Reserves Update and Feasibility Progress Report" dated 12 April 2022 available on the ASX website (at www.asx.com.au) and the Wiluna Mining website (at https://wilunamining.com.au/) ("Ore Reserve Announcement"). Together, the Mineral Resource Announcement and the Ore Reserve Announcement are the "Announcements".

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Announcements and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates in the Announcements continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the Announcements.

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