ASX Announcement

1 August 2023
ASX: WMC

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QUARTERLY ACTIVITIES REPORT – JUNE 2023

Wiluna Mining Corporation Limited (Subject to Deed of Company Arrangement) ("**Wiluna**", "**WMC**" or the "**Company**") (ASX:WMC) provides the following update on the Company and its activities.

OPERATIONS

- **Continuation of reprocessing of tailings from the Company's Western Cell tailings storage facility and processing of the historic dump leach stockpile.**
- **A total of 302,701T was processed for 3,345oz of Au during the current quarter.**
- **Dewatering systems and access to key areas underground continue to be maintained during care and maintenance to facilitate the restart of future operations.**
- **During the next quarter the main activities will be commissioning of the Wiltails processing unit; continuing to process tails and dump leach material; studies and work in relation to an expansion of the CIL processing facilities and pre-feasibility work regarding recommencement of mining and refurbishment of the Biox circuit.**

FINANCIAL

- **Cash on hand as at 30 June 2023 was $15.4M (as at 31 March 2023: A$14.6M).**
- **Total gold bullion sales for the quarter were 3,730oz of Au at an average price of A$2,947/oz (March 2023 quarter 5,364oz at an average price of A$2,745/oz) and final payments for gold in concentrate sales revenue of $11.3M (March 2023 quarter revenue of A$24.5M).**

CORPORATE

- **The Company's creditors voted in favour of a Deed of Company Arrangement ("DOCA") on 7 July 2023 with Michael Ryan, Kathryn Warwick, Daniel Woodhouse, and Ian Francis of FTI Consulting appointed as joint and several deed administrators of the Company and its subsidiaries ("Deed Administrators").**
- **The DOCA was signed by the Company and the Deed Administrators on 28 July 2023.**
- **Terms of the DOCA are as detailed in the Company's ASX announcements of 3 July 2023 and 1 August 2023.**

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OPERATIONS

TAILINGS RETREATMENT PROJECT

During April 2023 and May 2023, the Company continued the re-processing of tailings from its Western Cell Tailings Storage Facility ("**TSF**"). A further 174,695T of tails was processed in these two months producing 2,295oz of Au.

At the beginning of June 2023, the Company ceased processing tails and began processing the historic dump leach stockpile pending the completion of the Wiltails processing unit and following the refurbishment of the crushing circuit. During June 2023 128,006T of dump leach material was processed producing 1,050oz of Au.

Work to complete the Wiltails processing unit has been carried out over the quarter and the unit is due to be commissioned before end of August 2023. Completion has been delayed due to issues relating to restarting a construction process that was halted "midway" as a result of the Company being placed into voluntary administration. The completed Wiltails processing unit will enable a dual feed of both tails through the processing plant and dump leach ore stockpile through the crushing circuit, which is anticipated to increase throughput to 300DT (dry tonnes) per hour from the current rate of approximately 180DT per hour.

During the next quarter the main activities targeted are the commissioning of the Wiltails processing unit; continuing to process tails and dump leach material; studies and work in relation to an expansion of the CIL processing facilities and pre-feasibility work regarding recommencement of mining and refurbishment of the Biox circuit.

PRODUCTION

As noted above, the quarter has involved processing of both tails from Western Cell tailings storage facility and the historic dump leach stockpile. A summary of the production results for the current and previous quarter is set out below.

	June 2023 Qtr	March 2023 Qtr	Dec 2022 Qtr
Gold mined (oz)	N/A	N/A	22,953
Gold produced (oz)	3,345	6,209	22,603
Tonnes mined	N/A	N/A	176,154
Head grade mined (g/t)	N/A	N/A	4.05
Tonnes processed	302,701	311,109	199,868
Grade processed (g/t)	0.70	0.94	3.71

Underground	Unit	June 2023 Qtr	March 2023 Qtr	Dec 2022 Qtr
Development metres	m	Nil	Nil	299
Rehabilitation metres	m	Nil	Nil	-
Production metres	m	Nil	Nil	40,284
Ore tonnes mined	T	Nil	Nil	176,154
Ore grade mined	g/t	Nil	Nil	4.05
Processing				
Free milling - Ore tonnes processed	T	128,006	211,199	17,521
Free milling - Ore grade processed	g/t	0.51	0.95	1.64
Sulphide - Ore tonnes processed	T	Nil	Nil	182,347
Sulphide - Ore grade processed	g/t	Nil	Nil	3.91
Tails – Ore Tonnes processed	T	174,695	99,910	Nil
Tails – Ore grade processed	g/t	0.85	0.92	Nil
Total - Ore tonnes processed	T	302,701	311,109	199,868
Total ore grade processed	g/t	0.70	0.94	3.71
Total gold produced	oz	3,345	6,209	20,603

EXPLORATION AND RESOURCE DRILLING

Following the appointment of the Administrators in July 2022, all exploration and resource drilling activities have been suspended.

CORPORATE

DEED OF COMPANY ARRANGEMENT

The Company's creditors resolved to vote in favour of a DOCA at the concurrent second meeting of creditors held on 7 July 2023 with Michael Ryan, Kathryn Warwick, Daniel Woodhouse, and Ian Francis of FTI Consulting appointed as joint and several deed administrators of the Company and its subsidiaries. This resolution brought the voluntary administration to an end.

The principal terms of the DOCA passed by creditors are as set out in the Company's ASX announcements of 3 July 2023 and 1 August 2023.

The Deed Administrators will continue to make announcements regarding the progress of the DOCA and the Company's operations as appropriate.

FINANCIAL

Cash on hand as at 30 June 2023 was A$15.4M. During the quarter, ongoing interest payments were made to the secured lender. The total debt owing to the secured lender as at 30 June 2023 is US$35.8M (approximately A$54M).

Gold bullion sales, along with the final payments for the sale of gold in concentrate continued during the June 2023 quarter, with gross revenue of A$12.1M (including deferred concentrate receivables) during that quarter.

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QUARTERLY CASH FLOW SUMMARY

	June 2023 Qtr $'000	March 2023 Qtr $'000	Dec 2022 Qtr $'000
Cash flows from operating activities			
Proceeds from gold and silver sales	22,371	46,513	44,148
Payments to suppliers and employees	(18,352)	(29,350)	(42,074)
Interest paid	(2,291)	(2,508)	(1,714)
Gain on close out of gold hedges	-	-	-
Net cash from operating activities	**1,728**	**14,655**	**359**
Cash flows from investing activities			
Purchase of plant and equipment	(448)	-	(10)
Payments for exploration and evaluation	-	-	-
Net cash used in investing activities	**(448)**	**-**	**(10)**
Cash flows from financing activities			
Payment of share issue costs	-	-	-
Repayment of loans	-	(1,507)	-
Repayment of right of use lease liabilities	(766)	(402)	(523)
Other	(10)	(23)	-
Net cash from financing activities	**(776)**	**(1,931)**	**(523)**
Net decrease in cash held	504	12,724	(173)
Cash and cash equivalents at the beginning of the period	**14,630**	**1,473**	**2,168**
Foreign exchange gain/(loss)	219	434	(522)
Cash and cash equivalents at the end of the period	**15,353**	**14,630**	**1,473**

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The release of this announcement has been approved by the Deed Administrators*

*Michael Ryan, Kathryn Warwick, Daniel Woodhouse and Ian Francis, all Senior Managing Directors of FTI Consulting, were appointed as Deed Administrators on 28 July 2023.

Annexure A - Wiluna Mining Group – Entities over which the Deed 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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