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# ASX Announcement

**29 January 2021**
**ASX: WMX**

WILUNA MINING

# QUARTERLY ACTIVITIES REPORT – DECEMBER 2020

## HIGHLIGHTS

- **Company continues to generate cash from improving operating cash flow**
- **December 2020 quarterly production of 13,398oz, consistent with September 2020 quarter (13,360oz)**
- **All-In-Sustaining-Costs (AISC) for the quarter of A$1,675/oz reduced by 17% versus September quarter (A$2,012/oz)**
- **Production year to date 26,758oz @ AISC of A$1,839/oz**
- **Net operating cash flows for the quarter were $7m. Net operating cash flows for the transition period between October 2020 and September 2021, and FY21 AISC expectations, are maintained at A$48m and A$1,950/oz respectively. Gold production guidance is revised to 56,000oz to 60,000oz (formerly 62,000oz) due to milling rates being reduced to optimise mill performance.**
- **Surface ROM stockpiles at highest level since mining recommenced in 2016 and underpins next nine months production (1.2Mt @ 1.1g/t, or ~42koz)**
- **Mineral Resources upgraded including high grade Mineral Resource at Wiluna Mining Centre of 26.9Mt @ 4.89g/t for 4.24Moz (above 2.5g/t cut-off)**
- **Transition to expected 120kozpa production ongoing with construction works having started, and concentrator construction to commence in March 2021**
- **Excellent "under the headframe" drilling results continue**
- **Successful A$24.5m capital raising completed**

## About Wiluna Mining

Wiluna Mining Corporation (ASX: WMX) is a Perth based, ASX listed gold mining company that controls over 1,600 square kilometres of the Yilgarn Craton in the Northern Goldfields of WA.

The Yilgarn Craton has a historic and current gold endowment of over 380 million ounces, making it one of most prolific gold regions in the world. The Company owns 100% of the Wiluna Gold Operation which is the 7th largest gold district under single ownership in Australia based on overall JORC Mineral Resource.

**BOARD OF DIRECTORS**
Milan Jerkovic – *Executive Chair*
Neil Meadows – *Operations Director*
Sara Kelly – *Non-Executive Director*
Greg Fitzgerald – *Non-Executive Director*
Tony James – *Non-Executive Director*

**CORPORATE INFORMATION**
118.7M Ordinary Shares
2.7M Unquoted Options/ZEPO's

Level 3, 1 Altona Street, West Perth, WA 6005
PO Box 1412 West Perth WA 6872

**T** +61 8 9322 6418
**F** +61 8 9322 6429

info@wilunamining.com.au
wilunamining.com.au

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**Wiluna Mining Corporation Limited** ("Wiluna Mining" or "the Company") provides the following update on its activities for the quarter ended 31 December 2020, and thereafter:

## OPERATIONS

- Current ROM stockpiles (as at 26 January 2021) consist of 1.2Mt @ 1.1g/t (~42koz). Stockpiles at the process plant are sufficient to provide approximately two months of processing, mitigating risk of wet weather interruption.
- December 2020 quarter production of 13,398oz at an All-In-Sustaining-Cost (AISC) of A$1,675/oz (September quarter: 13,360oz @ AISC of A$2,012/oz), representing a 17% reduction in AISC/oz quarter on quarter.
- Operations improved during the quarter with steady production, despite the approximate deferral of 1,000oz due to a mill motor failure in December.
- Open pit mining for the quarter occurred only at Williamson; mining will cease at Williamson in the March quarter. Mining at low strip ratios and cessation of mining will lower aggregate costs for the next nine months during transition to sulphide mining and treatment, commencing in October 2021.
- Underground operations returning to targeted mining rates and grade profile.
- Further supporting transitional cash flows ahead of the sulphide concentrate production is the Company's hedge book, which includes most gold sales revenue locked in at an average price of A$2,674/oz.

## GROWTH

- GR Engineering Services ("GRES") appointed EPC contractor for Stage 1 concentrator development program and contract executed on 4 December 2020.
- Site concentrator civil earthworks commenced during the December quarter and are due to be completed in February 2021.
- GRES site mobilisation will commence in February 2021.
- Underground mine development and dewatering in progress and on schedule.
- Significant progress on Stage 1 underground infrastructure design.
- Stage 1 approvals in place or on track.
- Stage 2 Feasibility Studies progressing.

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## DISCOVERY

- In the December quarter, the Company drilled a further 85 holes for 16,399m (over the past 12 months, 608 holes for 93,000m), focussed on highest-value deposits scheduled for mining in the next four years to further strengthen the mine plan.
- November Mineral Resource update for the Wiluna Gold Operation (ASX announcement 5 November 2020) includes a range from 154Mt at 1.6g/t for 8.04Moz, to 74.3Mt at 2.29g/t for 5.47Moz, depending on cut-off grade (refer to Table 3).
- The Wiluna Gold Operation is now the seventh largest gold district under single ownership in Australia based on overall JORC Mineral Resource.
- At the Wiluna Mining Centre alone, the total Mineral Resource using a 1.0g/t cut off is 60.2 Mt @ 2.99g/t for 5.78Moz.
- Numerous high-grade intercepts received in the quarter are additional to the resource update (ASX releases dated 27 October and 17 November), including an outstanding intercept at the Bulletin zone of 37.52m @ 10.77g/t.
- Exceptional sulphide drill results continue to validate the Company's production growth strategy with additional drill results to be incorporated in further Mineral Resource and Reserves updates to be completed in the March quarter 2021.
- JORC-compliant Exploration Targets defined for the Wiluna Mining Centre totaling 35Mt to 40Mt @ 4.5g/t to 7g/t for 5Moz to 7Moz (see ASX release 17 November 2020).
- Three key themes for Wiluna Mining's aggressive growth program for the next 18 months:
    - Focus on defining Ore Reserves for development, targeting shallow, high-grade, low-cost mining areas;
    - Discover new zones at Wiluna to reveal the full scale of the large gold system; and
    - Make a significant discovery in the wider 1,600km$^2$ Wiluna Gold Operation tenure.

## CORPORATE & ESG

- Cash and bullion as at 31 December 2020 of A$15m (September 2020: A$13m).
- Net cash 31 December 2020 of A$3m (September 2020: Net debt A$4.7m).
- The Company raised A$22.5 million through a capital raising during the quarter. An additional A$2 million was raised in a Share Purchase Plan in January 2021.
- Gold hedging contracts at 31 December 2020 for 24,500oz @ A$2,674/oz, maturing in equal monthly instalments by 31 July 2021.
- Prepaid gold swap debt at 31 December 2020 was 4,893oz, repayable at a rate of 699 ounces per month until 31 July 2021.

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- Wiluna continues to be a safe work environment. The 12-month LTIFR for the site was 2.8 with one lost time injury reported for the quarter.

- ESG Platform progressed. Modern Slavery Policy released in December. Continued support of the Wiluna Community during the quarter.

- The Company, assisted by Arlington Group Asset Management, is in discussions with a number of London based brokers regarding a potential dual listing on the London Stock Exchange in the next 12 months.

- The Company is 15 months into, and remains on track to deliver, its 24-month five-point strategy to:
    - Continuing to strengthen the balance sheet – ***CONTINUING***;
    - Generating cash through strong operational cashflow from free milling until commencement of gold concentrate production – ***UNDERWAY***;
    - Transition to include gold concentrate production by October 2021 – ***UNDERWAY***;
    - Expand gold production by undertaking feasibility to fully develop a +250kozpa, long life gold operation – ***UNDERWAY***; and
    - Define the large Wiluna gold system to its full potential via discovery – ***UNDERWAY***.

Wiluna Mining Executive Chair, Milan Jerkovic, commented,

*"The Company had a very solid quarter. Our strong transitional cash flows continue to support development and commissioning of concentrate production aimed for October 2021. Our current free-milling operations have been de-risked significantly via the build-up of high-grade stockpiles from the Williamson mine and margins are expected to increase as the Company's operating cost base trends lower with the cessation of mining at Williamson.*

*The Company continued to make in-roads into solidifying its immediate development plans with commencement of the development of Stage 1 and the signing of the contract with GRES to construct the concentrator. Exceptional drilling results are continuing to be achieved in high priority target areas at the Wiluna Mining Centre which confirms the geological significance of the Wiluna Mining Centre. The Company is determined to continue to define the large-scale geological potential as part of becoming a Tier 1 producer in a Tier 1 jurisdiction."*

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### Table 1 – FY2021 Production & Costs Summary

| | | Sep'20 | Dec'20 | YTD |
|---|---|---|---|---|
| **Production** | **Unit** | | | |
| **Open Pit Mining** | | | | |
| Total Mining | bcm | 1,034,131 | 405,732 | 1,439,864 |
| Strip Ratio | w:o | 2.5 | 0.6 | 1.6 |
| Ore Mined | t | 724,802 | 710,755 | 1,435,557 |
| Mined Grade | g/t | 1.2 | 1.3 | 1.2 |
| **Underground Mining** | | | | |
| UG Development (inc. Rehab) | m | 773 | 1,988 | 2,761 |
| Ore Mined | t | 22,032 | 21,755 | 43,787 |
| Mined Grade | g/t | 3.9 | 2.7 | 3.3 |
| Total Ore Mined | t | 746,834 | 732,510 | 1,479,344 |
| Total Mined Grade | g/t | 1.2 | 1.3 | 1.3 |
| Total OP & UG Contained Gold | oz | 29,651 | 31,209 | 60,859 |
| **Processing** | | | | |
| Tonnes Processed | t | 415,710 | 330,981 | 746,691 |
| Grade Processed | g/t | 1.2 | 1.5 | 1.3 |
| Recovery | % | 83% | 86% | 84% |
| **Gold Produced** | **oz** | **13,360** | **13,398** | **26,758** |
| Gold Shipped | oz | 12,812 | 13,459 | 26,271 |
| *Gold Sold* | *oz* | *12,108* | *12,823* | *24,930* |
| *Achieved Gold Price* | *A$/oz* | *2,584* | *2,633* | *2,609* |
| | | | | |
| **Costs** | **Unit** | | | |
| | | | | |
| Mining - net of costs capitalised to preproduction | A$/oz | 1,468 | 972 | 1,214 |
| Processing | A$/oz | 680 | 631 | 655 |
| Site Administration | A$/oz | 147 | 186 | 167 |
| Stockpile movements | A$/oz | (499) | (411) | (454) |
| Royalties, refining costs & silver sales | A$/oz | 153 | 140 | 146 |
| Sustaining Capital Expenditure | A$/oz | 36 | 116 | 77 |
| Overhead costs | A$/oz | 27 | 42 | 35 |
| **All - In - Sustaining Costs Per Ounce** | **A$/oz** | **2,012** | **1,675** | **1,839** |

## WILUNA GOLD OPERATIONS

The December 2020 quarter gold production of 13,398oz at an AISC of A$1,675/oz was an improvement over the prior quarter (September quarter: 13,360oz at an AISC of A$2,012/oz) due to the decrease in AISC. The Company's AISC (in absolute dollars) averaged A$7.5m per month, which is lower than in prior quarters and this is expected to continue during the FY2021 year generating operating cashflow of approximately A$48 million during the transitional period of October 2020 to September 2021. Open pit mining activity will cease

during the March quarter and this will translate into a lower AISC base and improved operating cash flows as the Company transitions to sulphide concentrate production.

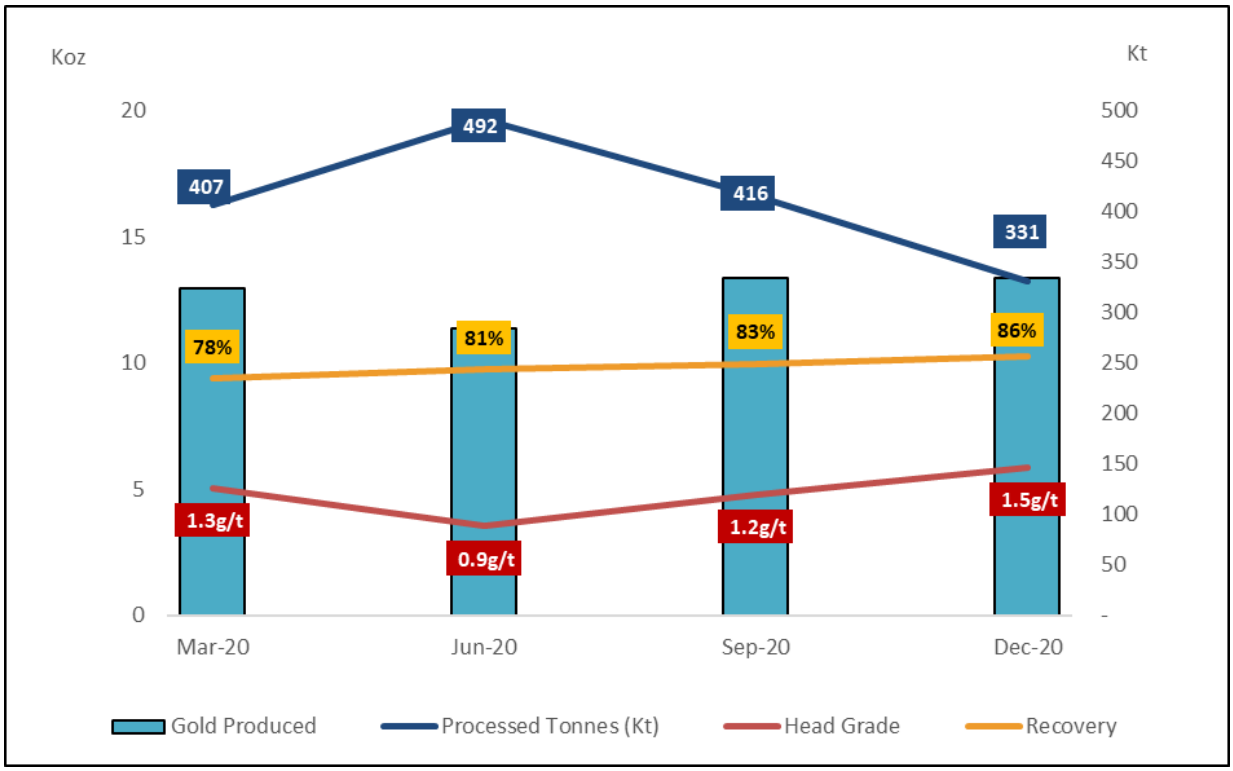


**Figure 1 – Wiluna Gold Production**

- Production in the December 2020 quarter improved in the back of higher processed head grades of 1.46g/t (September quarter: 1.2g/t) and improvements in overall metallurgical recovery to 86% (September quarter: 83%). Recoveries improved as a result of management's decision to optimise mill throughput rates.
- Approximately one third of mill feed for the December 2020 quarter was provided from the Williamson mine. Matilda and Wiluna stockpiles have been mostly depleted whilst Williamson stockpiles have been accumulating.
- Total ROM stockpiles are now ~1.2MT @1.1g/t (~42koz) and mainly comprised Williamson ore.
- Williamson continues to be mined at very low strip ratios, and mining will cease in the March quarter. Further stockpile build-up expected in the coming quarter, to significantly de-risk cash flow prior to the commissioning of the sulphide concentrator.
- The Company experienced a mill motor failure during December which resulted in the mill being offline for three days, resulting in a temporary deferral of approximately 700 ounces of gold.
- Production from Golden Age underground mine was lower than expected during the quarter due to bridges in the 800 stope taking approximately two weeks to reset, and the rise in the 858 stope freezing when blasted. The grade was significantly below forecast as the 800-stope under-performed. Grades are expected to improve as the 858 and 854 West stopes come online during the March quarter.
- Total underground development (including refurbishment) for the December 2020 quarter was 2,022m (September 2020 quarter: 773m). Development of 451m was specifically attributable to sulphide pre-production mining activity.

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- Production guidance for FY2021 is revised to 56,000oz to 60,000oz due to milling rates being reduced to optimise mill performance, at an AISC of approximately A$1,950/oz and cash costs per ounce of A$1,650/oz.

**Figure 2: Williamson Pit viewed from the South Looking North**

## GROWTH

During the December quarter several significant milestones have been achieved. The Directors of Wiluna Mining approved the concentrator construction works including entering an EPC contract with GR Engineering Services Limited ("GRES") that was signed on 4 December 2020. The key dates for this contract and construction program are as follows:

### Table 2 – Approximate Timetable for Stage 1 concentrator construction

| Item | Date |
|---|---|
| Award of Design and Construction Contract | Completed |
| Bulk earthwork complete | February 2021 |
| Site mobilisation | February 2021 |
| Commencement of ore commissioning | October 2021 |
| Performance testing complete | November 2021 |

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The following activities have been progressed for Stage 1 to date.

### Mine development

Underground operations continue to provide valuable high grade, free milling feed from the Golden Age orebody to the process plant whilst refurbishment of existing development and new development commence to open stoping blocks for initial sulphide mining areas.

To complement the current equipment and development work, the first development crew from Byrnecut mobilised in the December quarter with further development crews to be mobilised during 2021 to maintain the required work program.

Surface ventilation fan for Happy Jack North has been installed and a ventilation door has been installed at 1150 level between Golden Age and Happy Jack North.

### Pit and Mine dewatering

Dewatering of open pit voids and underground workings at Wiluna has made considerable progress with the Happy Jack South decline portal position reached. Refurbishment and dewatering of the Happy Jack South workings commenced in the December quarter.

Dewatering of the large East Pit reached the first of three existing decline portals in the December quarter allowing progressive dewatering of the southern mining development on East and West lodes.

Underground dewatering of the Bulletin, Woodley and Burgundy-Calais areas has progressed ahead of planned resource drilling locations for the 2021 drilling plan.

The five elements of the Company's broader staged sulphide development are as follows:

1. Stage 1 progress
2. Drilling and Resource Development
3. Reserves and Mine Planning
4. Stage 2 Feasibility Studies
5. Longer term development

### Development Plan

Williamson open pit mine will continue to provide the bulk of free-milling feed through to sulphides production. Underground mining at Golden Age and Lennon are also contributing valuable high-grade, free-milling feed to the process plant, while refurbishment and mine development is well underway to access stoping blocks for initial sulphide mining.

Stage 1 of the development plan will see the Company transition from its current production profile in FY2021 using the current 2.1 Mtpa free-milling processing facility, to initially producing on completion and fully ramped up approximately 120kozpa of gold and gold in concentrate. This will be implemented using the current crushing and milling circuit and a new 750ktpa concentrator by October 2021 and by tailings retreatment.

The feasibility study into Stage 2 Development has commenced and is targeted for completion by the end of 2021. Wiluna Mining's resource and reserve development drilling and mine planning work to date provides confidence in the scale and grade of the mineralisation to support an expansion in production through a Stage 2 plant upgrade to a nominal 1.5 Mtpa treatment rate to produce over 250kozpa in gold doré and gold concentrate, and potentially higher. Very few gold projects at one location, under the control of one company, have the potential for this scale of production in a Tier 1 location.

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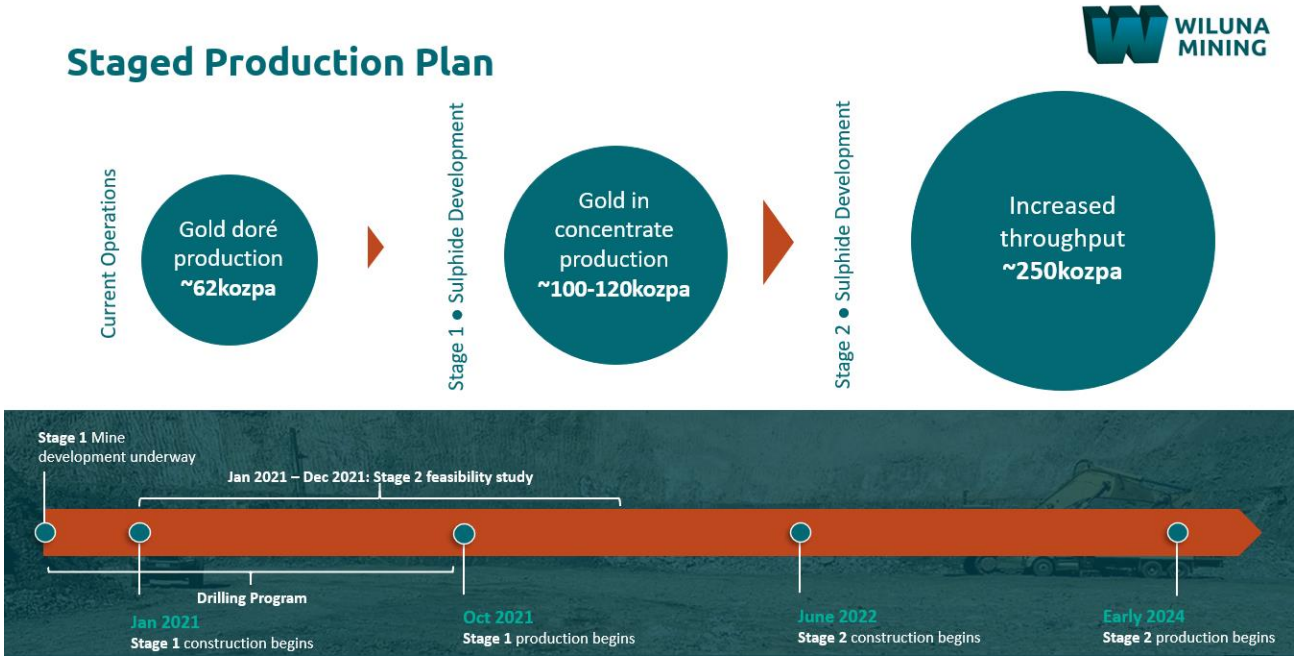


**Figure 3 – Staged Sulphide Program**

## DISCOVERY

### Discovery Highlights

The Company continues its aggressive resource and reserve development drilling program with seven rigs currently drilling on site. In the December quarter, the Company drilled 85 holes for 16,399m, focussed on highest-value deposits scheduled for mining in the next four years to further strengthen the sulphide mine plan. The 2021 drilling program aims to grow reserves through targeting new high-grade shoots and progressive infill of the Inferred Resource areas to enhance geological confidence and convert to the Indicated category.

Wiluna Mining's drilling strategy has successfully defined thick high-grade intervals at shallow levels, close to multiple previously mined zones with available access for rapid low-cost development (Figure 4). These results demonstrate that the Wiluna orebody is a very large scale and high-grade gold system (see ASX releases 27 October 2020, 17 November 2020 and 27 January 2021 for further details).

- **Multiple thick high-grade results from Resource Development drilling at Wiluna Mining Centre include:**

| | |
|---|---|
| **BUUD0146:** | **10.84m @ 29.39g/t** and **23.92m @ 3.55g/t** |
| | Includes **3.08m @ 100.53g/t, 1.64m @ 10.31g/t** and **5.00m @ 6.82g/t** |
| **WURC0939:** | Broad mineralised zone of **34.00m @ 4.88g/t,** including |
| | **14.00m @ 8.32g/t** and **5.00m @ 7.40g/t** |
| **WURD0112:** | **4.05m @ 9.20g/t** including **0.45m @ 57.30g/t (visible gold logged)** |
| **WURD0084:** | **3.58m @ 14.08g/t** and **4.35m @ 6.14g/t** |
| **WURC0916:** | **2.00m @ 14.45g/t** and **2.00m @ 5.38g/t** |

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| | |
|---|---|
| **BUUD0144:** | **3.47m @ 9.30g/t** |
| **BUUD0149:** | **5.18m @ 10.97g/t** |
| **BUDD0164A:** | **3.64m @ 9.93g/t** |
| **WURC0911:** | **12.00m @ 8.14g/t** |
| **BUUD0177A:** | **3.66m @ 8.24g/t** |
| **BUUD0139:** | **3.14m @ 8.11g/t** |
| **BUUD0138:** | **13.37m @ 7.03g/t** |
| **WURD0100:** | **7.90m @ 6.21g/t** and **1.01m @ 21.51g/t** |
| **WURC0910:** | **3.00m @ 6.17g/t** and **4.00m @ 3.50g/t** and **6.00m @ 6.95g/t** |
| **WURC0924:** | **4.00m @ 5.82g/t** and **22.00m @ 2.68g/t** incl. **1.00m @ 8.23g/t** & **1.00m @ 8.64g/t** |

- **Broad mineralised zones include:**

| | |
|---|---|
| **WURC0939:** | **78.00m @ 2.59g/t** |
| **WURC0891:** | **62.00m @ 1.54g/t** |
| **WURC0924:** | **60.00m @ 1.79g/t** |
| **WURD0084:** | **60.45m @ 1.91g/t** |

- **High-grade assays up to 32.5g/t in previously un-sampled historical core. A further 255 historical core samples assayed > 1g/t, and 30 samples assayed > 5g/t, in situ adjacent to previously assayed and mined zones, value extracted from previous owner's core.**
- **Seven drill rigs recommenced drilling in January targeting new sulphide ore shoots, and infill drilling to improve geological confidence in Sulphide Expansion Resource and Reserve.**

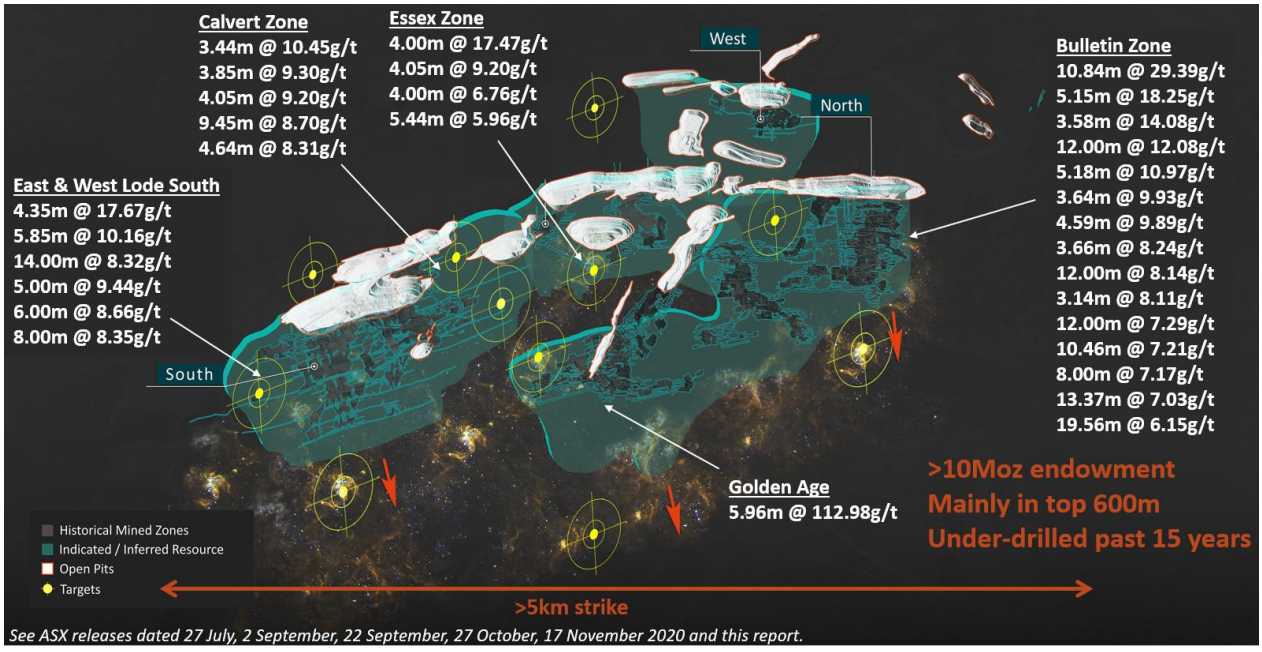


**Figure 4: Wiluna Mining Centre shallow targets for resource growth leveraging existing mine infrastructure. Multiple high-grade intercepts reported from all drill target locations since 1 July 2020**

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The ongoing program at the Bulletin, Essex, Calvert and West Lode South zones is designed to infill areas of Inferred resource within preliminary stope designs, with the aim to upgrade geological confidence to Indicated resource category, and to extend potential stoping areas up-dip and down-dip. Excellent results were achieved during the quarter (Figures 4, 5, 6 & 7).

Excellent results were achieved at Bulletin, with multiple thick, high-grade intercepts recorded including the outstanding **37.52m @ 10.77g/t** in **BUUD0146** and **5.18m @ 10.97g/t** in **BUUD0149** (see ASX releases 27 October 2020 and 27 January 2021). After the quarter, further high-tenor results were reported from drill holes designed to infill areas of Inferred resource within preliminary stope designs, with the aim to upgrade geological confidence to Indicated resource category, and to extend potential stoping areas up-dip and down-dip.

| | |
|---|---|
| **BUDD0164A:** | **3.64m @ 9.93g/t** from 42.36m |
| **BUUD0138:** | **13.37m @ 7.03g/t** from 68.00m |
| **WURD0100:** | **7.90m @ 6.21g/t** from 349.10m |

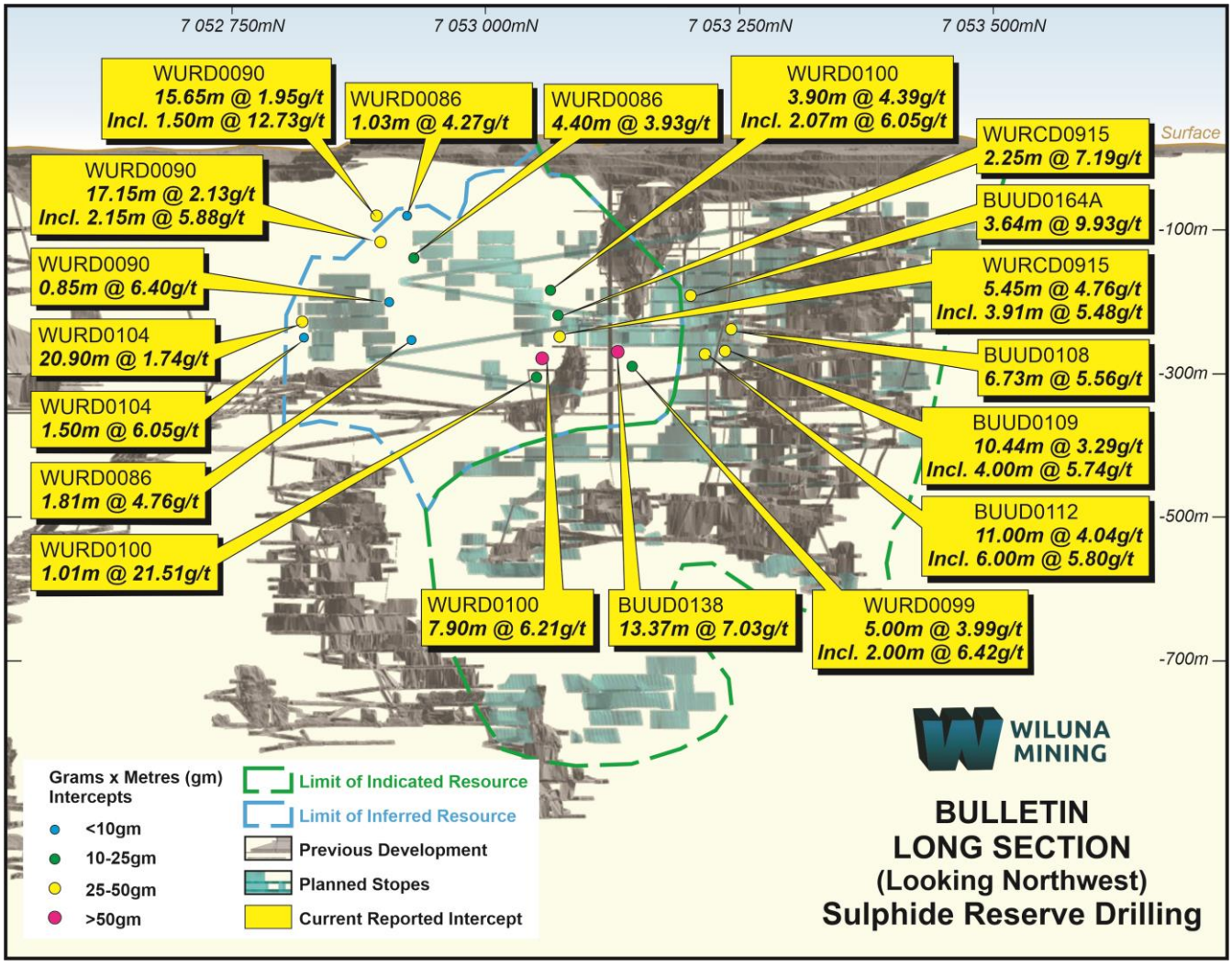


**Figure 5: Bulletin long section showing high-grade results and drilling aimed at converting the southern Inferred Resource area to Indicated category. Note multiple lodes were intersected in some holes**

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At Essex, **WURD0112** intersected visible gold mineralisation, which is reflected in the ultra-high-grade assay of **0.45m @ 57.30g/t**, within a broader zone of **4.05m @ 9.20g/t** located down-dip from the preliminary stope designs (Figure 6).

**WURD0112** is highly significant because the occurrence of very high-grade sulphides with visible gold is 50m below Wiluna Mining's previous deepest high-grade drillholes at Essex (**8.00m @ 5.31g/t** & **8.00m @ 15.20g/t**, see Figure 6) demonstrating the down-plunge continuation of the high-grade shoot. Additional assays are pending, and further drilling is planned.

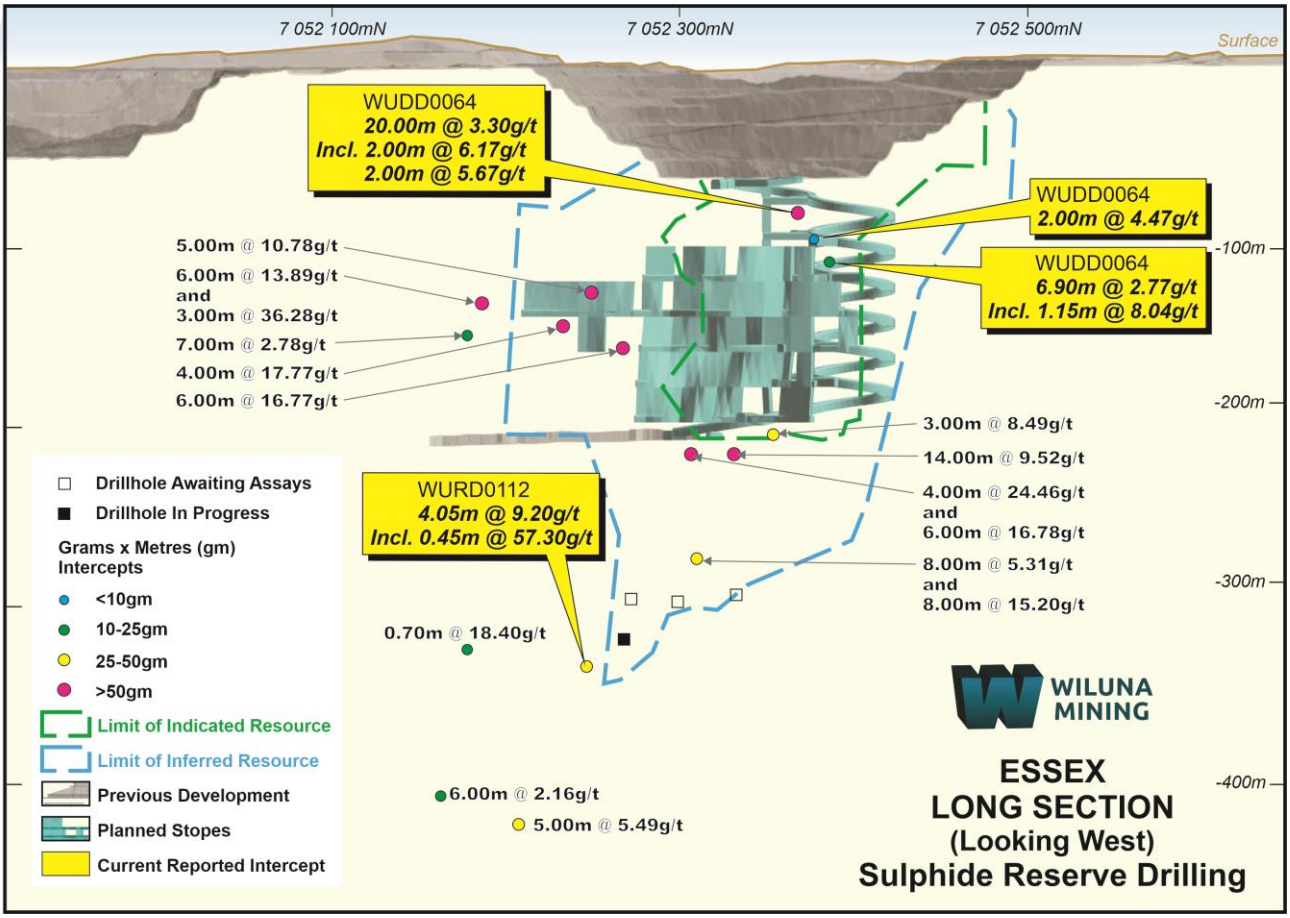


**Figure 6: Essex long section showing high-grade results and drilling aimed at converting the Inferred Resource area to Indicated category.**

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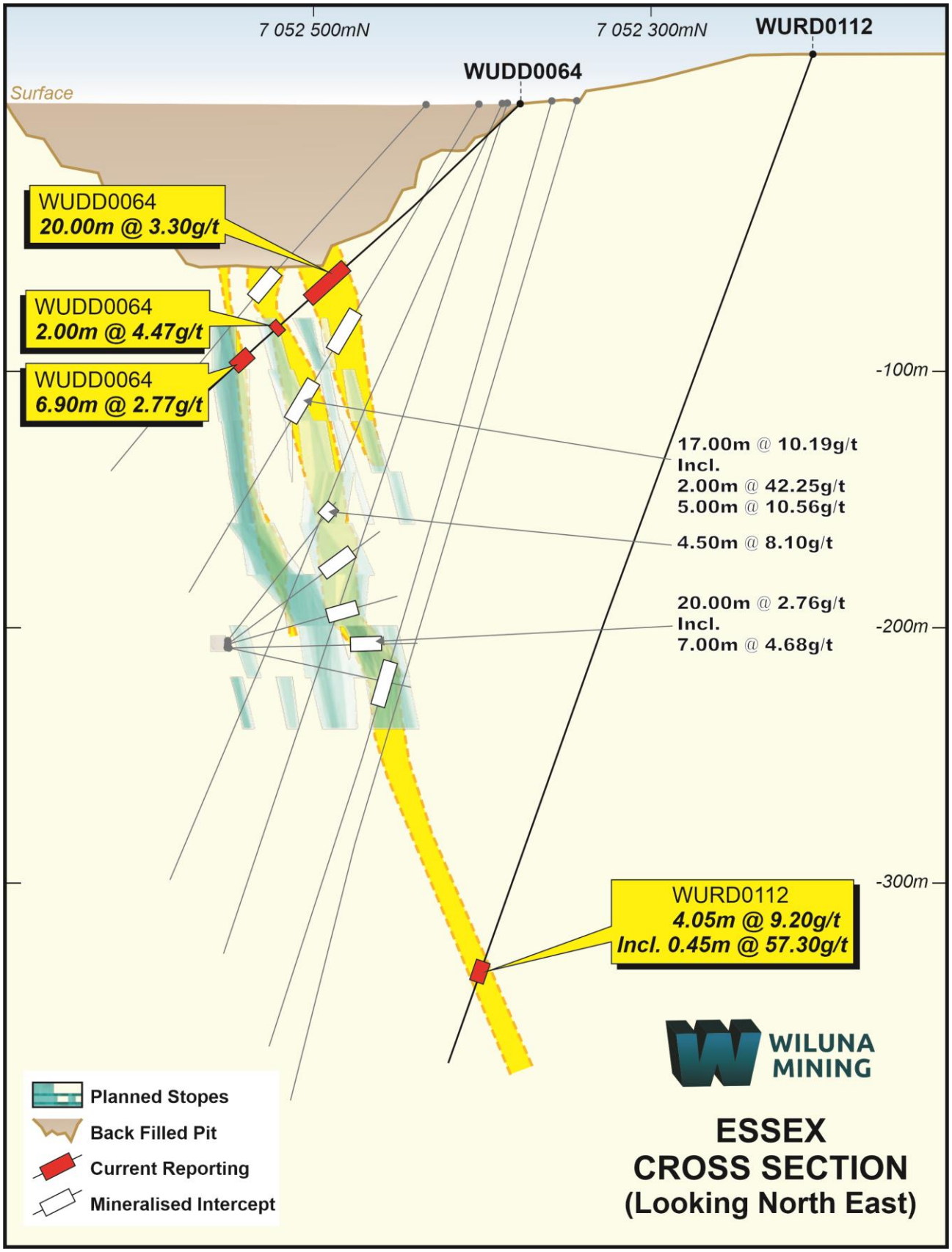


**Figure 7: Essex cross section showing high-grade results infilling and extending the planned stope areas.**

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The program at West Lode South has generated excellent results. West Lode South is adjacent to the East Lode South resource area and existing decline access, with potential to add to mine life and improve the head grade based on the thick high-grade mineralisation intersected in the current program and Wiluna Mining's previous holes (Figure 8, and ASX release 22 May 2017).

West Lode was historically mined via underground between 1932 and 1946 and produced 691,000oz @ 8.6g/t, which demonstrates the scale and high-grade nature of this target zone. West Lode remains open and sparsely drilled to the south, with potential to delineate resource extensions and to make a new shoot discovery.

**WURC0939** intersected very broad mineralisation of **78.00m @ 2.59g/t** that may be amenable to open pit or bulk underground mining methods (estimated true width 52m), including **14.00m @ 8.32g/t** and **4.00m @ 5.18g/t**.

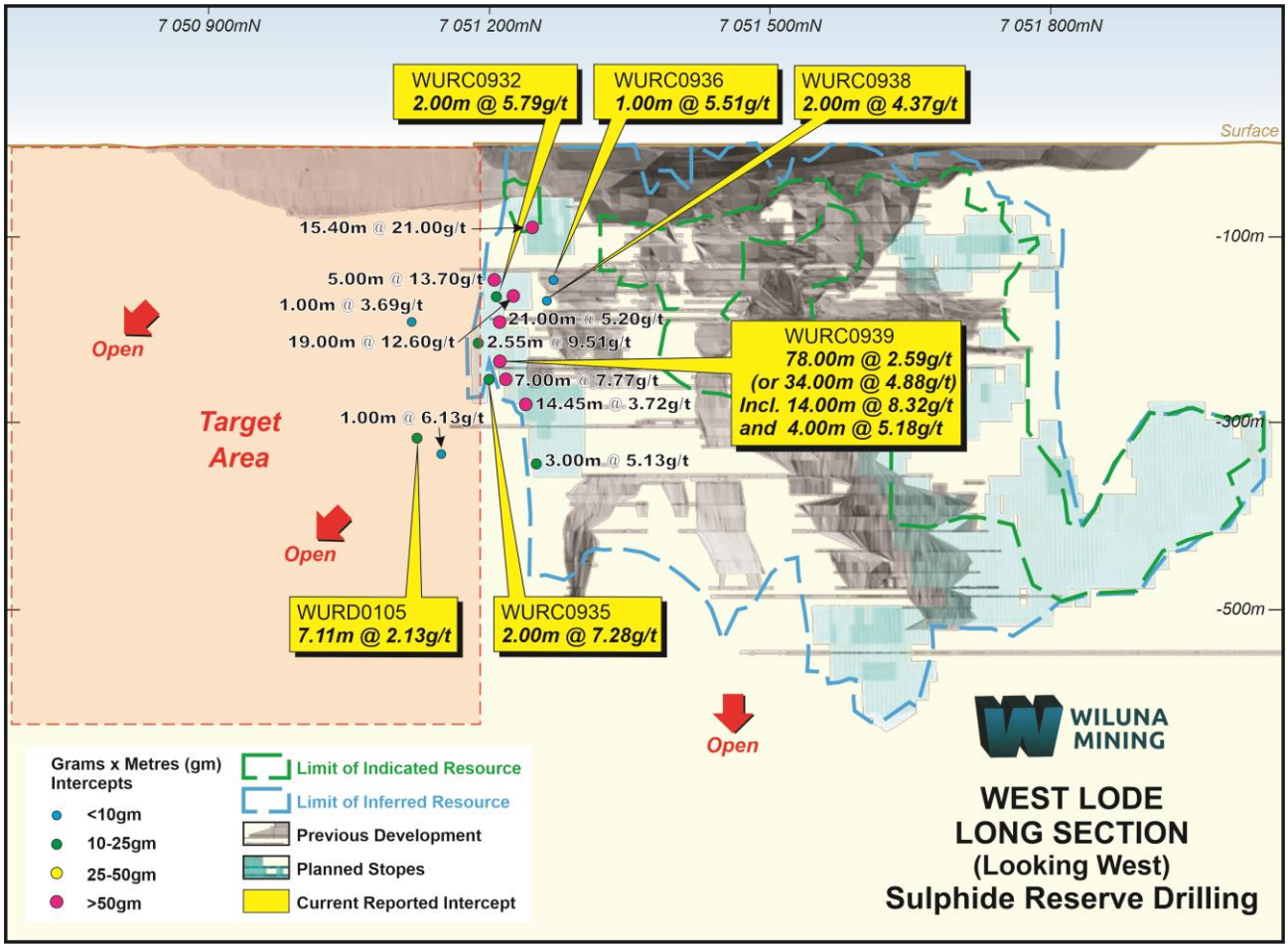


**Figure 8: West Lode long section showing high-grade results and drilling aimed at converting the Inferred Resource area to Indicated category**

## Historic Drill Core Assays Reveal High Grades

The Company's approach is to leverage the large amount of historically sunk capital, including existing mine development and over 800,000m of diamond core previously drilled at the project that was only selectively sampled by previous operators. New intersections from over 15,000m of core include 30 assays above 5g/t and 255 assays above 1g/t.

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Numerous exceptional broad intersections have now been realised, such as **139.45m @ 1.70g/**t and **64.50m @ 2.17g/t** that may be amenable to bulk mining methods. New assay intervals combined with the historic assays have been used to generate new combined significant intervals:

| | |
|---|---|
| **CADH00281:** | **63.80m @ 2.32g/t Au** |
| **CADH00492:** | **15.00m @ 2.78g/t Au** |
| **CADH00699:** | **13.30m @ 10.79g/t Au** |
| **CADH00754:** | **12.46m @ 2.12g/t Au** |
| **CADH00900:** | **19.25m @ 4.03g/t Au** |
| **CADH00929:** | **10.90m @ 4.10g/t Au** |
| **CADH01027:** | **30.60m @ 6.85g/t Au** |
| **CADH01217A:** | **6.40m @ 6.34g/t Au** and **23.00m @ 1.54g/t Au** |
| **CADH01342:** | **21.50m @ 5.80g/t Au** |
| **HNDH0040:** | **26.10m @ 2.08g/t Au** |
| **WDH00460:** | **14.70m @ 5.29g/t Au** |
| **WDH00678:** | **28.90m @ 4.39g/t Au** |
| **WDH00715:** | **139.45m @ 1.70g/t Au** including **18.00m @ 4.06g/t Au** |
| **WDH00898:** | **64.50m @ 2.17g/t Au** |

## Mineral Resource and Ore Reserve Update

During the quarter, the Company released an updated Mineral Resource Statement (see ASX announcement dated 5 November 2020). The Mineral Resource ranges from 154Mt @ 1.63g/t for 8.04Moz to 77.4Mt at 2.29g/t for 5.47Moz, depending on cut-off grade (refer to Table 3).

Supporting the sulphide development plan at the Wiluna Mining Centre, is a high-grade Mineral Resource of 26.9Mt @ 4.89g/t for 4.24Moz using a 2.5g/t cut-off (Table 3).

Following the 90,000m of resource and reserve development drilling completed in 2020, the Company continues its aggressive drilling program of the last twelve months, with seven rigs currently drilling on site. The 2021 drilling program is of similar scale and aims to grow reserves through targeting new high-grade shoots and progressive infill to convert the current Inferred Resource of 2.10Moz @ 4.57g/t (above 2.5g/t cut-off) to Indicated category. A further Mineral Resource Statement and interim Reserves statement supporting the sulphide development and its funding will be released in the March quarter.

At Wiluna, the bulk of the ounces are hosted within high-grade shoots within steeply dipping gold shear zones, with the two most prominent shears being the East and West structures and a third sub-parallel structure called Adelaide-Moonlight, with a combined strike length of over 10km. In addition, numerous linking structures and splays are also mineralised, and free-milling high-grade quartz reefs continue to be drilled at the Golden Age mine area. Prior to Wiluna Mining's ownership, historical intercepts drilled over 1,000m below surface confirmed that high-grade extensions continue below the deepest mine workings.

The immediate drilling focus is to confirm Reserves within the immediate mining areas to support a 3 to 5-year production window. This will be complemented by a broader drill plan to define the scale of the operations and inform long term optimisation studies.

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### Table 3: Mineral Resources as at October 2020, Wiluna > 1.0g/t cut-off (ASX release 5 November 2020)

## Wiluna at 1.0g/t

| Wiluna Mining Corporation Mineral Resource Summary | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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** | 0.14 | 5.2 | 24 | 22.69 | 3.59 | 2,618 | 37.34 | 2.62 | 3,141 | **60.17** | **2.99** | **5,782** |
| **Matilda** | - | - | - | 3.51 | 1.51 | 170 | 1.41 | 2.43 | 110 | **4.93** | **1.77** | **281** |
| **Lake Way** | 1.93 | 1.28 | 80 | 0.94 | 1.61 | 48 | 3.53 | 1.19 | 135 | **6.40** | **1.28** | **263** |
| **Galaxy** | - | - | - | 0.13 | 3.08 | 12 | 0.16 | 2.98 | 15 | **0.28** | **3.02** | **28** |
| **SUB TOTAL** | **2.08** | **1.55** | **103** | **27.27** | **3.25** | **2,849** | **42.44** | **2.49** | **3,401** | **71.78** | **2.75** | **6,354** |
| TAILINGS AND STOCKPILES | | | | | | | | | | | | |
| **Tailings** | - | - | - | 33.16 | 0.57 | 611 | - | - | - | **33.16** | **0.57** | **611** |
| **Stockpiles** | 0.51 | 0.9 | 15 | 2.16 | 0.51 | 35 | - | - | - | **2.67** | **0.58** | **50** |
| **SUB TOTAL** | **0.51** | **0.89** | **15** | **35.32** | **0.57** | **646** | **-** | **-** | **-** | **35.83** | **0.57** | **661** |
| **GLOBAL TOTAL** | **2.59** | **1.42** | **118** | **62.59** | **1.74** | **3,495** | **42.44** | **2.49** | **3,401** | **107.61** | **2.03** | **7,015** |

| Wiluna Mining Corporation Mineral Resource Summary | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Reporting Cut-Off | TOTAL MINERAL RESOURCES (WILUNA DEPOSITS ONLY) | | | | | | | | | | | |
| | Measured | | | Indicated | | | Inferred | | | Total 100% | | |
| g/t Au | Mt | g/t Au | Koz Au | Mt | g/t Au | Koz Au | Mt | g/t Au | Koz Au | Mt | g/t Au | Koz Au |
| **0.4** | 0.3 | 3.0 | 27 | 39.01 | 2.37 | 2,970 | 66.77 | 1.77 | 3,808 | **106.06** | **2.00** | **6,805** |
| **1.0** | **0.1** | **5.2** | **24** | **22.69** | **3.59** | **2,618** | **37.34** | **2.62** | **3,141** | **60.17** | **2.99** | **5,782** |
| **2.5** | 0.1 | 6.5 | 22 | 12.53 | 5.25 | 2,114 | 14.29 | 4.57 | 2,100 | **26.93** | **4.89** | **4,237** |

### Exploration Targets Defined

The Company has defined JORC Compliant Exploration Target for the East/West structures at the Wiluna Mining Centre of approximately 35Mt to 40Mt @ 4.5g/t to 7g/t for 5Moz to 7Moz of gold (see ASX release 17 November 2020). In line with the Company's major ongoing resource and reserve development program, drilling and geophysical work is planned over the next one to five years to systematically test these targets.

The Exploration Target is derived from the seven target endowments that are calculated from the recorded production and the current 2.5g/t cut off resource within the area shown in Figure 9. The same size area for each lode was extrapolated down-dip to show the potential. The Exploration Targets are based on extensive historical mining and drilling data and resource estimates, extrapolated into poorly tested areas where very wide-spaced previous drilling shows the structures do persist at depth, in places at similar grades (Figure 9). Previous drill holes, spaced several hundred metres apart, returned varying results, but are considered too broad-spaced to have properly tested for high-grade shoots.

The total historical endowment of the East Structure (Figure 9) ranges in gold grade from 5.05g/t Au to 6.93g/t Au for 4.23 million ounces gold, so the Exploration Target over similar dimensions and gold grade is expected to range between 18Mt to 22Mt @ 5g/t to 7g/t for a total gold target of between 3Moz and 4Moz.

The total endowment of the West Structure (Figure 9) ranges in gold grade from 4.70g/t Au to 5.94/t Au for 2.76 million ounces gold, so the Exploration Target over similar dimensions and gold grade is expected to range between 15Mt to 17Mt @ 4g/t to 6g/t for a total gold target of between 2.2Moz and 3.0Moz.

In early 2021, the Company commenced a seismic survey over the Wiluna Mining Centre to map the gold structures potentially to several kilometres below surface. If successful, this will be followed up with a detailed 3-Dimensional survey to define drilling targets for future resource growth.

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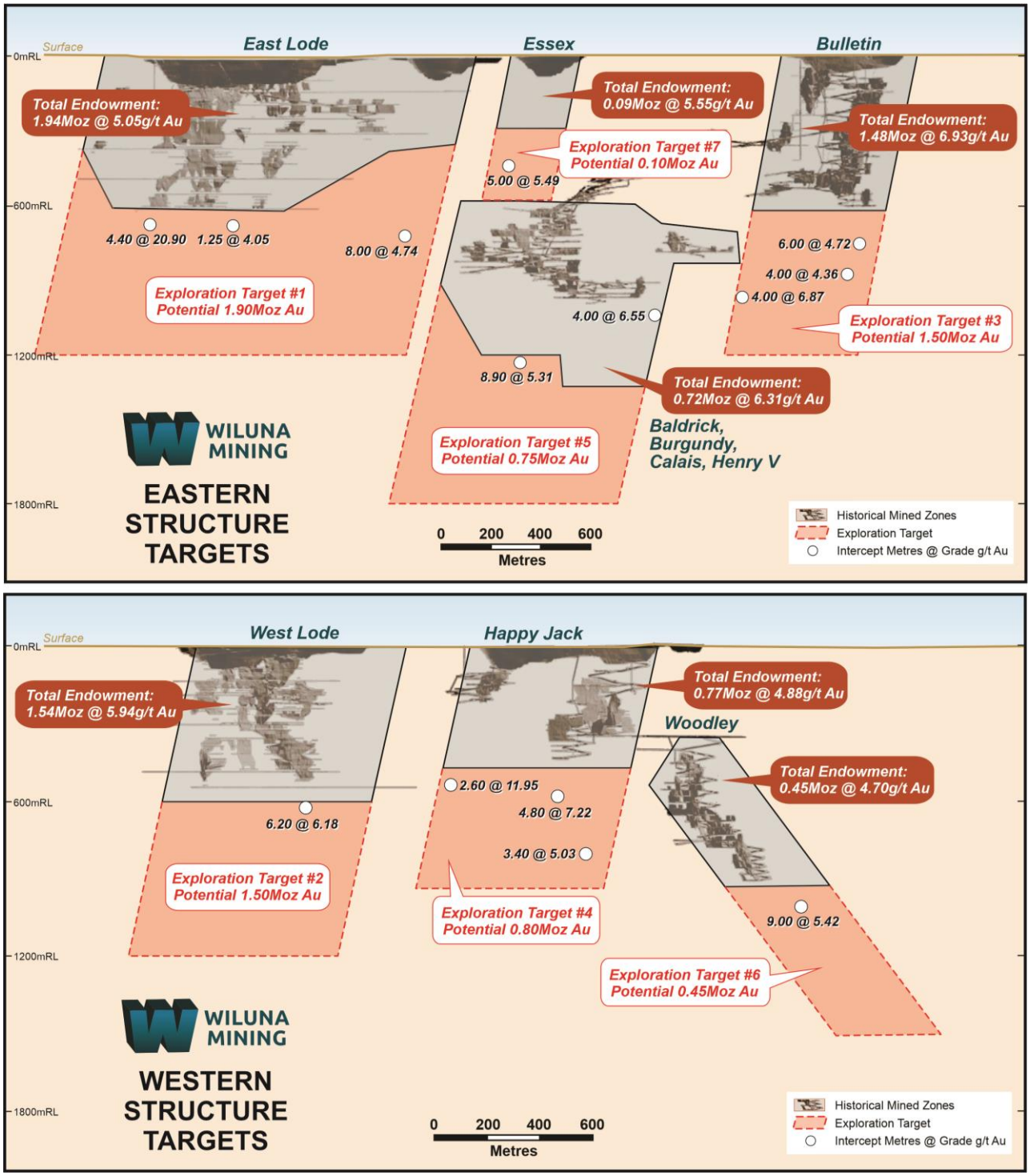


**Figure 9: Long sections looking west of the two main mineralised structures within the Wiluna Mining Centre, showing total endowment (produced gold plus current Mineral Resource), historical intercepts and the Exploration Targets**

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## CORPORATE & ESG

As at 31 December 2020, Wiluna Mining had A$15m in cash and bullion (September 2020: A$13.2m). Gold sales revenue for the December 2020 quarter was based on 12,823oz sold at an achieved price of A$2,633/oz (after realised treasury transactions).

Net cash at 31 December 2020 was A$3m (June 2020: Net debt of A$4.7m). Gold hedging contracts at 31 December were for 24,500oz @ A$2,674/oz, maturing in equal monthly instalments by 31 July 2021. The Company's primary debt, its prepaid gold swap, had 4,893oz payable as at 31 December, repayable at a rate of 699 ounces per month until 31 July 2021.

The Company remains on track with Mercuria to draw down tranche 2 debt of A$40 million first quarter CY2021, subject to Mercuria's credit approval. Working capital continues to improve with a further improvement of A$15m since 30 June 2020, whilst significant investment in the Company's asset base also continues, with A$30 million spent relating to mine properties, geology, and plant infrastructure from 1 July to 31 December 2020.

Ongoing investing activities relating to the current free-milling operations will be minimal and the Company expects operating margins and net operating cash flows to increase. Future transitional cash flows generated from the current free-milling operations will be able to be applied against future debt repayments as well as partially fund sulphide development related activities.

The Company is pleased to report that it maintained its high safety standards and that there were no major accidents or incidents at site for the quarter. The 12-month LTIFR for the site was 2.8 with one lost time case reported for the quarter.

During the quarter, the Company made significant advances in developing a strong ESG platform. The ESG Management Committee met for the first time, chaired by Board member Ms Sara Kelly. The Company's ESG consultant, Dr Jim Bawden, continues to develop the Company's ESG charter and platform. The Company completed and lodged a Modern Slavery policy during the quarter. Our Indigenous Liaison Officer, Trish Botha, continues to engage with the local community in Wiluna regarding several relevant topics.

The Company continued its support of the local community sponsoring the annual Murlpirrmarra football weekend as well as supporting the Art Gallery, the Medical Centre and the new café at the Wiluna school; donating a pizza oven to the café during the quarter and providing ongoing support of the Royal Flying Doctor Services.

The Company, assisted by Arlington Group Asset Management, is in discussions with several London based brokers regarding a potential dual listing on the London Stock Exchange in the next 12 months. The motivation for these discussions is due to a high number of our current major shareholders being UK and Europe based. In addition, there is high interest in companies with Tier 1 jurisdiction gold assets by many London based funds. In many cases, these funds can only invest in companies that have a UK listing. The timing of this decision will depend on the level of interest as well as the availability of international travel in the near future.

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### Table 4 – Quarterly Cash Flows

| Quarterly Cash Flows | Sep'20 A$000 | Dec'20 A$000 | YTD A$000 |
|---|---|---|---|
| **Cash Flows from Operations:** | | | |
| Gold Sales Revenue at Spot | 32,166 | 32,840 | 65,006 |
| Operating Costs | (29,790) | (25,817) | (55,607) |
| **Net Operating Cash Flows** | **2,376** | **7,022** | **9,399** |
| Net Corporate/ Admin | (1,463) | (1,737) | (3,200) |
| Net Interest Expense | (653) | (554) | (1,207) |
| Realised Treasury Gain / (Loss) | (1,052) | 901 | (151) |
| Working Capital Movements | (6,133) | (2,822) | (8,954) |
| **Net Operating Cash Flows after Overheads** | **(6,924)** | **2,810** | **(4,114)** |
| | | | |
| **Investing Activities:** | | | |
| Open Pit Pre-production Mining | (299) | (396) | (695) |
| Underground Pre-production Mining | (2,125) | (8,537) | (10,662) |
| Property, Plant & Equipment | (325) | (3,847) | (4,172) |
| Geology & Studies | (8,339) | (5,795) | (14,134) |
| Acquisitions / Sale of Assets | (141) | (367) | (508) |
| | | | |
| **Financing Activities:** | | | |
| Net Proceeds from Equity issued | - | 21,375 | 21,375 |
| Debt Drawdowns | 21,206 | 690 | 21,896 |
| Debt Principal Repayments | (3,525) | (5,307) | (8,831) |
| Other | 66 | 7 | 73 |
| | | | |
| **Net Cash Flows** | **(405)** | **635** | **229** |
| **Opening Cash & Bullion in Transit** | **11,361** | **10,956** | **11,361** |
| **Closing Cash & Bullion in Transit** | **10,956** | **11,590** | **11,590** |
| Market value of gold in metal account | 2,230 | 3,521 | 3,521 |
| **Closing Cash & Bullion** | **13,186** | **15,111** | **15,111** |

This announcement has been approved for release by the Board of Wiluna Mining Corporation Limited.

For further information on Wiluna Mining please contact:

**Milan Jerkovic**
Executive Chair
+61 8 9322 6418

**Jim Malone**
General Manager Investor Relations
+61 419 537 714

**Dannika Warburton**
Media & Communications
+61 401 094 261

*Wiluna Mining confirms that it is not aware of any new data or information that materially affects the Mineral Resource estimates and that all material assumptions and technical parameters underpinning the estimates in the respective ASX announcements continue to apply and have not materially changed. Wiluna Mining confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.*

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*Wiluna Mining confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases, and the form and context of the announcement has not materially changed.*

Notes Table 3:

1. *Mineral Resources are reported inclusive of Ore Reserves.*
2. *Tonnes are reported as million tonnes (Mt) and rounded to the nearest 10,000; Au ounces are reported as thousands rounded to the nearest 1,000.*
3. *Data is rounded to reflect appropriate precision in the estimate which may result in apparent summation differences between tonnes, grade, and contained metal content.*
4. *Wiluna Mineral Resource includes deposits within the Wiluna Mining Centre and the Regent deposit and are reported at a 1g/t Au cut-off.*
5. *Matilda Mineral Resource is a summation of 8 separate Matilda deposits each reported at 0.4g/t Au cut-off within an A$2,900/oz shell and at 2.5g/t below the pit shell, and the shallow Coles Find deposit which has been reported at a 0.4g/t Au cut-off.*
6. *Lake Way Mineral Resource includes the Carrol, Prior, Williamson South deposits, and the operating Williamson deposit. Each deposit has been reported at 0.4g/t Au cut-off within an A$2,900/oz shell and at 2.5g/t below the pit shell.*
7. *Tailings Mineral Resource includes material in Dam C, Dam H, and backfilled pits at Adelaide, Golden Age, Moonlight, and Squib.*
8. Competent Persons: *Graham de la Mare, Marcus Osiejak*

***Competent Persons Statement***

*The information contained in the report that relates to Exploration Targets and Exploration Results at the Wiluna Gold Operation is based on information compiled or reviewed by Mr Cain Fogarty, who is a full-time employee of the Company. Mr Fogarty is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fogarty has given consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

*The information in the report to which this statement is attached that relates to Mineral Resources for the Wiluna, Lake Way and Regent Mining Centres is based on information compiled or reviewed by Mr Graham de la Mare, a Competent Person who is a Fellow of the Australian Institute of Geoscientists. Graham de la Mare is a full-time employee of Wiluna Mining Corporation and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Results, Mineral Resources and Ore Reserves'. Graham de la Mare consents to the inclusion in this announcement of statements based on this information in the form and context in which it appears.*

*The information in the report to which this statement is attached that relates to Mineral Resources for the Matilda, Galaxy and WilTails Mining Centres is based on information compiled or reviewed by Mr Marcus Osiejak, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Marcus Osiejak is a full-time employee of Wiluna Mining Corporation and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Results, Mineral Resources and Ore Reserves'. Marcus Osiejak consents to the inclusion in this announcement of statements based on this information in the form and context in which it appears.*