For personal use only

ASX Announcement

21 October 2020
ASX: WMX

QUARTERLY ACTIVITIES REPORT – SEPTEMBER 2020

HIGHLIGHTS

- **September 2020 quarterly production (13,360oz) increased by 18% over June 2020 quarter**
- **All-In-Sustaining-Costs (AISC) for the quarter ($2,012/oz) reduced by 38%, with costs trending down during the September quarter and are expected to continue to trend down in the December quarter**
- **FY2021 production guidance of 62,000oz @ AISC of A$1,950/oz (cash costs A$1,650/oz) maintained**
- **Expected strong ongoing operating cashflows of approximately $4 million per month**
- **Growth - Transition to expected 120kozpa production with ramp up commencing by October 2021 on track**
- **Discovery - Excellent "under the headframe" drilling results continued**
- **ESG - Significant initiatives launched during the quarter**

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 in Australia under single ownership 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
100.5 M Ordinary Shares
2.52M 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

For personal use only

Wiluna Mining Corporation Limited ("Wiluna Mining" or "the Company") provides the following update on its activities for the quarter ended 30 September 2020, and thereafter:

OPERATIONS

- September 2020 quarter production of 13,360oz at an All-In-Sustaining-Cost (AISC) of $2,012/oz (June quarter: 11,367oz @ AISC of $3,253/oz). This represents an 18% increase in production and a 38% reduction in AISC/oz quarter on quarter
- Operations improving during the quarter with strong production in the month of September of 5,205oz at an AISC of $1,833/oz. Cost trended down during the quarter and are expected to continue trending down in the December quarter
- Recent production improvement to continue into the December quarter with several months of high-grade stockpiles available for processing and continuing to build up
- Open pit mining completed at Matilda and Wiluna subsidiary pits; Williamson is now the main free milling ore source and will continue to be mined at low strip ratios with the lower cost base to be maintained for the financial year
- Underground operations returning to targeted mining rates and grade profile
- Further plant upgrades undertaken during the quarter, which included the replacement of the secondary crusher, with benefits for current operations as well as future sulphide production
- Ongoing production strength is expected to provide the Company with consistent operating cashflows for the remainder of the financial year. Operating cashflows of ~$4 million per month will be supported by production of ~5,000oz per month. Further supporting transitional cashflows ahead of the sulphide concentrate production (Oct'21) is the Company's hedge book, which includes a significant proportion of gold sales revenue locked in at an average price of A$2,674/oz

GROWTH

- The Board has approved Stage 1 concentrator construction (see ASX release dated 2 October)
- GR Engineering appointed EPC contractor for Stage 1 concentrator development programme
- 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

For personal use only

DISCOVERY

- Resource update as at 30 June 2020 for the Wiluna Gold Operation (ASX announcement 30 September 2020) includes a range from 143Mt at 1.6g/t for 7.3Moz, to 71Mt at 2.2g/t for 5.0Moz, depending on cut-off grade (refer to Table 5)

- The Wiluna Gold Operation now represents the 7th 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 1.0 g/t cut off is 53.0 Mt @ 3.00 g/t for 5.10 Moz

- Numerous high-grade intercepts received in the quarter are outside the resource update (ASX releases dated 2 September 2020 and 22 September 2020), including:

    - Essex: 4.00m @ 17.47 g/t
    - Calvert: 3.85m @ 9.30 g/t, 8.00m @ 5.11 g/t, 9.45m @ 8.70 g/t
    - Bulletin: 19.56m @ 6.15 g/t, 12.00m @ 12.08 g/t, 12.00m @ 7.29 g/t, 10.00m @ 7.21 g/t
    - East Lode: 4.35m @ 17.67 g/t

- Exceptional underground 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 early 2021

- Excellent drill results for the September 2020 quarter continued at Golden Age and Lennon, providing further confidence in transitional cash flow over the next 12 months and additional feed for the Stage 1 and 2 of the Wiluna expansion

CORPORATE & ESG

- Cash and bullion as at 30 September 2020 of $13.2m (June 2020: Net cash $11.4.m)

- Net debt as at 30 September 2020 of $4.7m (June 2020: Net cash $11.1m)

- First Tranche of the Mercuria Prepaid Swap Financing Facility completed, with $21m drawn down in August to be repaid in full by delivering 699oz of gold per month over 12 months, totaling 8,388oz

- Mercuria has also provided the Company with a secured gold hedging facility and as at the date of this report the Company has gold forward sales contracts for 34,000 oz at an average price of A$2,674/oz, maturing in July 2021

- Small Shareholder Sale Facility completed during the quarter

For personal use only

- Wiluna continues to be a safe work environment-The 12-month LTIFR for the site was 2.0 with one lost time injury reported for the quarter

- ESG Platform progressed. Management Committee formed, ESG consultant appointed along with Indigenous Support Officer. Continued support of the Wiluna Community and the Royal Flying Doctor Service during the quarter

- The Company is 12 months into, and remains on track to deliver, its 24-month five-point strategy to:

    - Strengthen the balance sheet - ***CONTINUING***;
    - Maximise free milling operational cashflows 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,

"During the quarter the Company took positive steps towards securing strong transitional cash flows to support sulphide 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.

Most importantly, the Company continued to make in-roads into solidifying its immediate sulphide development plans with the Board approving the construction of the concentrator. Exceptional drilling results are continuing to be achieved in high priority target areas at the Wiluna Mining Centre. Additionally, the Company's updated Mineral Resource Estimate confirms the geological significance of the Wiluna Mining Centre and the Company is eager to continue to define the large scale geological potential as part of becoming a Tier 1 producer in a Tier 1 jurisdiction."

For personal use only

Table 1 – FY2021 Production & Costs Summary

		Sep'20
Production	**Unit**	
Open Pit Mining		
Total Mining	bcm	1,034,131
Strip Ratio	w:o	2.5
Ore Mined	t	724,802
Mined Grade	g/t	1.2
Underground Mining		
UG Development (inc. Rehab)	m	773
Ore Mined	t	22,032
Mined Grade	g/t	3.9
Total Ore Mined	t	746,834
Total Mined Grade	g/t	1.2
Total OP & UG Contained Gold	oz	29,651
Processing		
Tonnes Processed	t	415,710
Grade Processed	g/t	1.2
Recovery	%	83%
Gold Produced	**oz**	**13,360**
Gold Shipped	oz	12,812
Gold Sold	*oz*	*12,108*
Achieved Gold Price	*A$/oz*	*2,584*
Costs	**Unit**	
Mining - net of costs capitalised to preproduction	A$/oz	1,468
Processing	A$/oz	680
Site Administration	A$/oz	147
Stockpile movements	A$/oz	(499)
Royalties, refining costs & silver sales	A$/oz	153
Sustaining Capital Expenditure	A$/oz	36
Overhead costs	A$/oz	27
All - In - Sustaining Costs Per Ounce	**A$/oz**	**2,012**

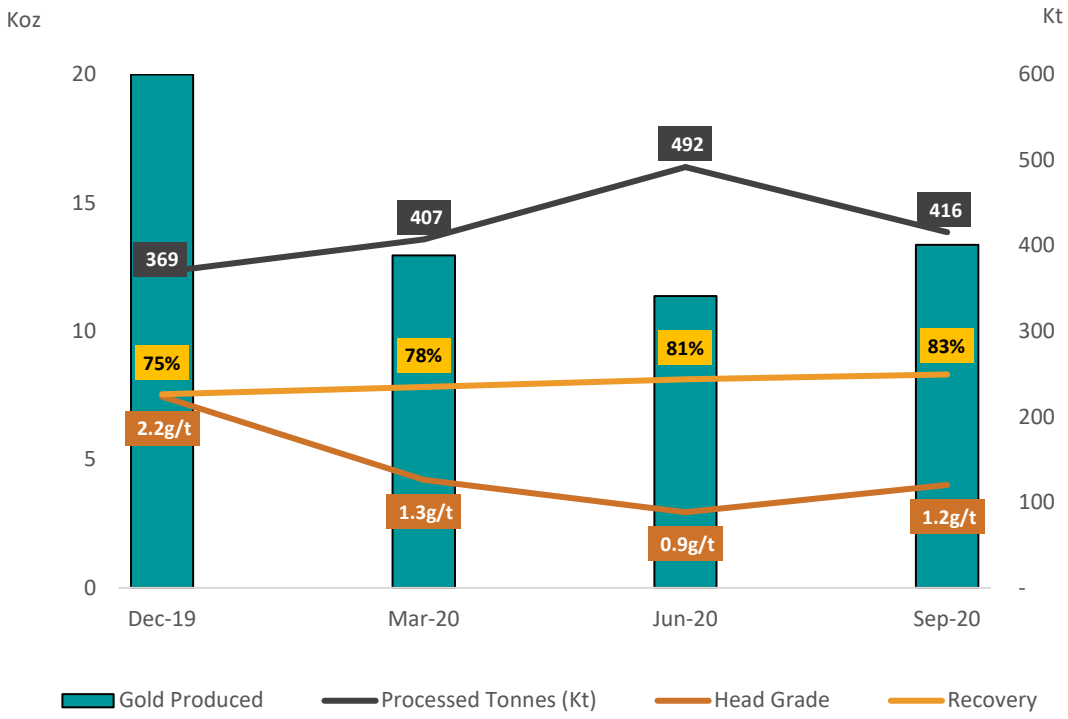
WILUNA GOLD OPERATIONS

The September 2020 quarter gold production of 13,360oz at an AISC of $2,012/oz was a significant improvement over the prior quarter (June quarter: 11,367oz at an AISC of A$3,253/oz). The Company's AISC (in absolute dollars) averaged A$8.6m per month, which is lower than in prior quarters and this is expected to continue during the FY2021 year generating operating cashflow of approximately $4 million per month.

For personal use only

Open pit mining activity will continue to scale back as mining becomes focussed on Williamson only, with the expectation that fewer operating pits and lower strip ratios will translate into a lower AISC base and improved operating cash flows as the Company transitions to sulphide concentrate production.

Table 2 – Wiluna Gold Production



- Production in the September 2020 quarter improved on the back of higher processed head grades of 1.2 g/t (June Quarter: 0.9 g/t) and improvements in overall metallurgical recovery of 83% (June Quarter: 81%).
- Approximately one third of mill feed for the September 2020 quarter was provided from the Williamson mine. Matilda and Wiluna stockpiles have been mostly depleted whilst high-grade Williamson stockpiles have been accumulating.
- Total high-grade stockpiles grew to ~250kt @ 1.50 g/t (~12koz) and mainly comprised Williamson ore.
- Williamson continues to be mined at very low strip ratios, with further stockpile build-up expected in the coming quarter, to significantly de-risk cash flow prior to the commissioning of sulphide concentrate production.
- A new secondary crusher was installed during the September quarter, which will improve the availability of fine ore stocks, which was a minor restriction on mill throughput of 416kt (June Quarter: 492kt). For the remainder of FY2021 mill throughput will decrease while grade will increase, as harder Williamson fresh ore becomes the highest proportion of mill feed.
- Production from Golden Age underground mine improved significantly during the September quarter with a total of 22,032 tonnes mined for total contained ounces of 2,731 oz (June quarter: 19,662 tonnes for 1,908 contained ounces).
- Utilisation and efficiency of the underground mining equipment and personnel continues to improve. Both the Golden Age and Lennon areas are expected to provide material contributions to transitional cash flows and beyond the commissioning of sulphide concentrate production.

For personal use only

- Total underground development (including rehabilitation) for the September 2020 quarter was 773m (June 2020 quarter: 224m). Development of 451m was specifically attributable to sulphide pre-production mining activity
- Production guidance for FY2021 is approximately 62koz at an AISC of approximately A$1,950/oz and cash costs per Ounce of A$1,650/oz.



Figure 1: Williamson Pit viewed from the South Looking North

GROWTH

During the September 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"). The key dates for this contract and construction programme are as follows:

Table 3 – Timetable for Stage 1 concentrator construction

Item	Date
Award of Design and Construction Contract	2 December 2020
Unconstrained project commencement	2 December 2020
Long lead equipment (Concentrate Filter and Flotation Cells) orders placed	13 December 2020
Site access available and establishment of Site facilities	6 January 2021
Commencement of concrete installations	4 March 2021

For personal use only

Commencement of structural, mechanical, piping, and electrical installation	29 April 2021
Commencement of dry commissioning	2 September 2021
Practical completion and commencement of ore commissioning	20 October 2021
TABLE 4 – ESTIMATED COSTS (these costs were released 26 Feb 2020 and have been updated where stated)	**$m**
Item	**$m**
Concentrator - updated since 26 February 2020 announcement	26
Pre-production underground mine activities/infrastructure development	37
Drilling	9
Feasibility	2
Contingency (10%) - updated since 26 February 2020 announcement	7
Total cost	**81**
Less expenditure to date	(12)
Total costs going forward	**69**

Current funding sources from projected cash inflows	**$m**
Cash and Bullion as at 30 September 2020	13
Operating cash flow from transitional operations before investing activities (Oct20 to Sep21)	48
Mercuria Tranche 2[1]	40
Total current funding sources	**101**
Note 1: Tranche 2 drawdown of $40m from Mercuria is subject to their credit approval of an updated financial model. This amount of $40m excludes any associated drawdown costs, as well as Tranche 1 & 2 principal and interest repayments (of which Tranche 1 repayments are $19m between October 2020 and July 2021). Note 2: Updated reserves, mine plan and financials will be released in January 2021 on completion of the current reserves in the December quarter. These costs do not include corporate overhead and resource/ reserve definition drilling for Stage 2 sulphide development plan.	

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 rehabilitation of existing development and new development commence to open stoping blocks for initial sulphide mining areas.

Murray Engineering have been contracted to supply and maintain mine fleet for current production associated development and stoping whilst Byrnecut Contractors have been engaged to provide equipment

For personal use only

and personnel for existing development rehabilitation and new development for resource-reserve drill out programmes and production from new mine areas.

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

Pit and Mine dewatering

Dewatering of open pit voids and underground workings at Wiluna has made considerable progress with the Happy Jack South decline access and the new Essex decline portal position reached. Rehabilitation and dewatering of the Happy Jack South workings will commence in the December quarter.

Dewatering of the large East Pit is expected to reach 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 2020 drilling plan.

Crusher and mill refurbishment

The first stage in the sulphide development plan will utilise the existing crushing and grinding circuits to provide feed to the new flotation circuit. Considerable work has been completed to ready the crushing circuit for processing of a 100% underground fresh ore feed. This includes the replacement of the secondary crusher with a near identical crusher to the current tertiary cone crusher. The rod mill was refurbished and brought online in January 2020 (see ASX announcement 12 February 2020) to provide additional grinding capacity. These changes to the comminution circuit have recently been tested on fresh ore feed to confirm their performance on harder ore at the desired plant throughput rate.

Tailings dam construction

The new tailings storage facility, TSF K, stage 1 construction has been completed and the facility has been commissioned. Design of stage 2 of TSF K has been completed and the permitting process commenced.

Upgrading the Wiluna Camp village

A total of 60 additional rooms have been installed and commissioned in the Wiluna Mine Village. In addition, approximately 20 existing rooms have been refurbished in readiness for the construction of the new concentrator and ramp up in underground activities.

Approvals

All Approvals required to maintain the Stage 1 development schedule are in place.

Sales/Off take agreements

The Company has secured Sales offtake agreements on competitive terms for 100% of its expected gold in concentrate for the first three years of operation with reputable international companies. Up to 70% of concentrate will be sold to LSX-listed Polymetal Group and 30% to international trading group Trafigura (see ASX announcements 2 March 2020 for Trafigura and 31 March 2020 for the Polymetal Group). The terms of these sales agreements are confidential but are along the following terms.

- Wiluna Mining to produce a 50-80 g/t concentrate.
- Gold payables including treatment costs and transport is approximately 80% of the gold spot price.
- The Company can still hedge their gold production through their current facility with Mercuria.

For further information on details of the Wiluna Mining and Polymetal Sales agreement see ASX announcement 31 March 2020 as well as the Polymetal LSX announcement 31 March 2020.

For personal use only

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

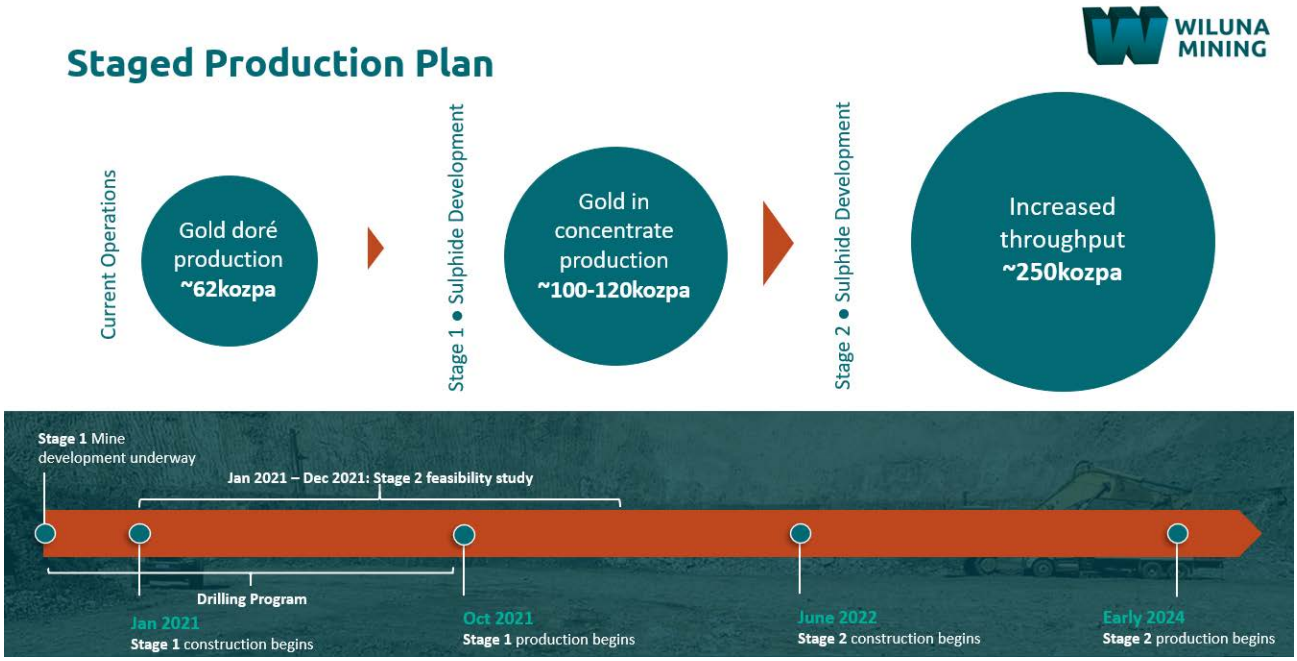


Figure 2 – Staged Sulphide Programme

DISCOVERY

The Company's focus in recent drilling has been to increase the level of confidence in the Mineral Resource at the Wiluna Mining Centre, to confirm the Company's Reserves (which will be updated in January 2021) and increase the confidence of high priority target areas to support a 3 to 5 year sulphide development planning window. Exceptional drill results from the Bulletin, Essex, Calvert, East Lode, Golden Age and Lennon zones through the September 2020 quarter have continued to validate this strategy (see announcements dated 2 September 2020 and 22 September 2020).

Importantly, the results from bulk intercepts like WURC0907 (118.00m @ 1.46 g/t), WURC0899 (40.00m @ 3.09 g/t), BUUD0124 (44.00m @ 2.92g/t) and BUUD0103 (49.60m @ 1.87g/t), as well as ongoing assaying of previously unassayed core across the extent of the shear zone at Wiluna, have begun to reveal the true scale of the Wiluna sulphide resource.

Significant gold mineralisation has been found to occur within the broad shear zone around higher-grade shoots, which supports the Company's view that the Wiluna gold system is larger than previously thought. Broad halo mineralisation may be amenable to bulk mining methods, and studies are in progress to assess underground or open pit mining opportunities.

For personal use only

Drilling highlights during the September 2020 quarter (see ASX announcements 2 and 22 September 2020) include:

BUUD0099:	**12.00m @ 12.08g/t**
BUUD0104A:	**10.46m @ 7.21g/t**
WURC0891:	**12.00m @ 7.29g/t**
WUDD0056:	**9.45m @ 8.70g/t**
WUDD0057:	**5.44m @ 5.96g/t**
WUDD0058:	**14.38m @ 4.14g/t** incl. **4.23m @ 8.11g/t**
WURC0884:	**3.00m @ 10.99g/t**
WURCD0870:	**4.35m @ 17.67g/t**
BUUD0082:	**2.55m @ 7.67g/t**
BUUD0087:	**2.75m @ 17.00g/t**
BUUD0095:	**9.00m @ 4.82g/t** incl. **3.90m @ 8.27g/t**
WURC0907:	**4.00m @ 17.47g/t, 4.00m @ 5.73g/t** &
	4.00m @ 6.76g/t (within broad halo of **118.00m @ 1.46g/t**)
WURD0077:	**5.85m @ 10.16g/t**
BUUD0133:	**4.95m @ 8.55g/t** incl. **0.90m @ 40.50g/t**
WURC0899:	**8.00m @ 7.17g/t** & **5.00m @ 6.37g/t** (within a broad halo of **40.00m @ 3.09g/t**)
WURC0905:	**3.00m @ 6.51g/t** & **3.00m @ 8.99g/t**
BUUD0124:	**19.56m @ 6.15g/t** (within halo of **44.00m @ 2.92 g/t**)
BUUD0122:	**3.60m @ 5.91g/t**
WUDD0061:	**8.00m @ 5.11g/** & **3.00m @ 6.93g/t**
BUUD0100:	**13.71m @ 4.23g/t** incl. **1.00m @ 5.89g/t**
	& 4.71m @ 6.05g/t (within a halo of **64.00m @ 1.61g/t**)
BUUD0103:	**14.00m @ 4.67g/t** incl. **1.83m @ 11.04g/t** &
	5.60m @ 4.46g/t incl. **2.36m @ 9.61g/t** (within halo of **49.60m @ 1.87 g/t**)

The current drilling programme has been focused on high-grade sulphide zones located close to surface and close to existing infrastructure, which allows for rapid and low-cost development. In addition to increasing the geological confidence for current planned stopes, drilling has highlighted potential for extensions adjacent to immediate mining areas.

The programme at Calvert and Essex zones, in the Wiluna Central Mine area, has been extended owing to high-grade intersections and additional lodes that remain open (Figure 3 & 4). At Essex, a parallel upper lode has delivered further high-grade intersections within a very broad 118m down-hole intersection of halo mineralisation (Figure 3). Additionally, the Company continues its aggressive drilling programme with a defined strategy to test and understand the true scale and potential of the Wiluna Mining Centre.

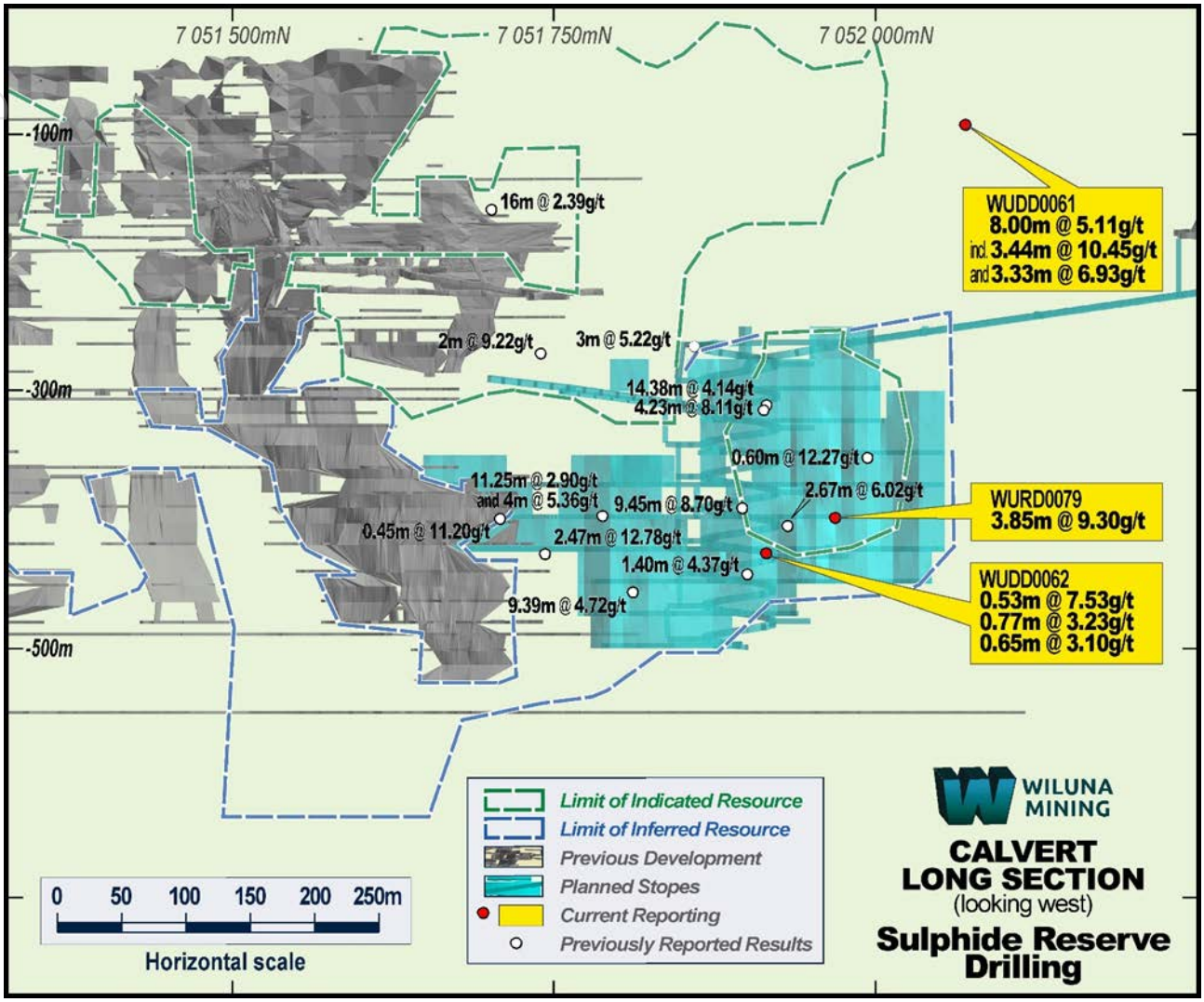


Figure 3: Calvert long section showing high-grade results in filling the Inferred Resource area.

For personal use only

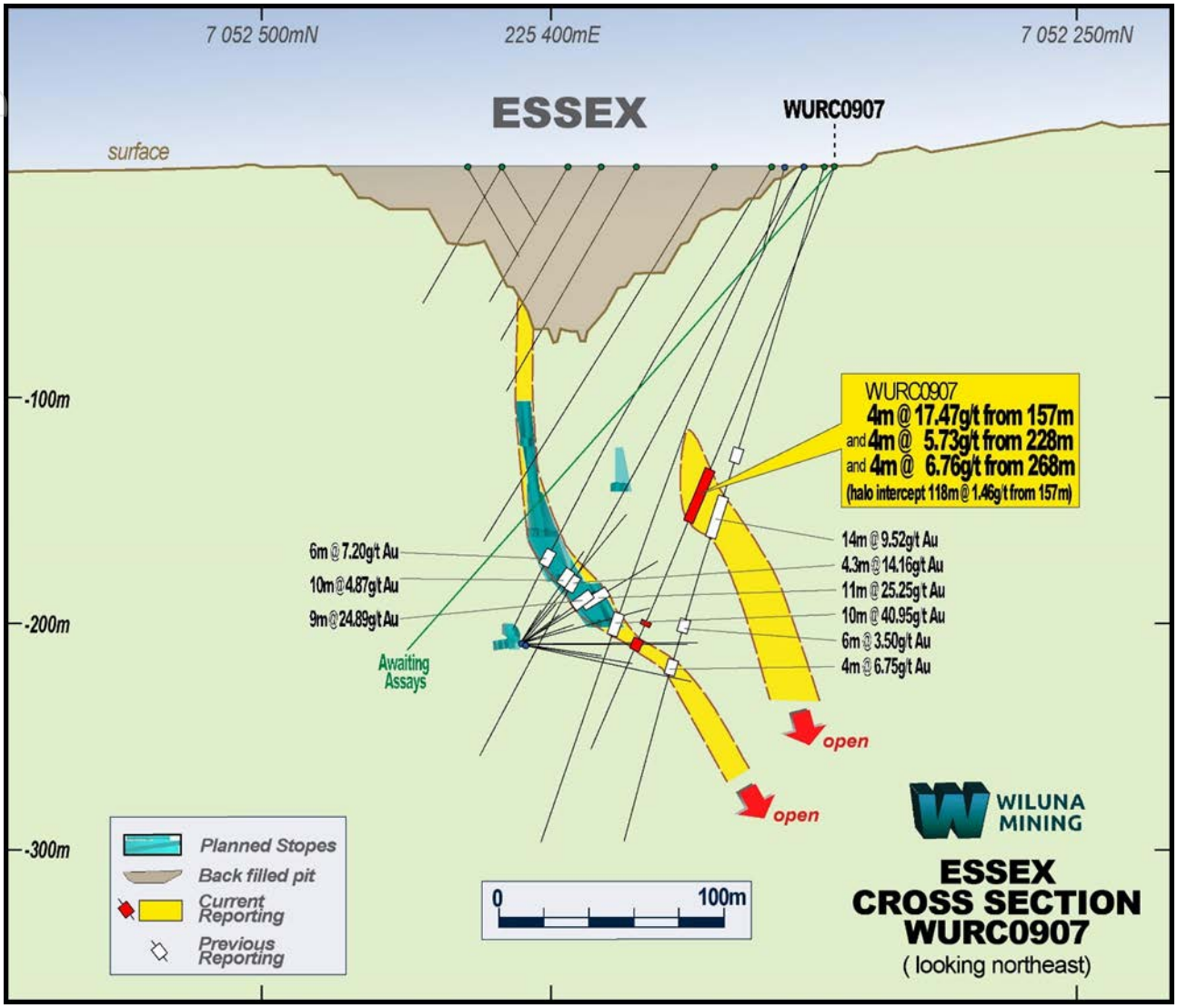


Figure 4: Essex cross section showing high-grade results from the secondary upper lode.

At Bulletin, in the Wiluna North Mine area, drilling was designed to intersect preliminary stope designs in the interim mine plan that mainly comprise Inferred Resources, with the aim to enhance geological confidence. Historical drilling at Bulletin targeted only the main high-grade zone, whereas Wiluna Mining's drilling has intersected the full halo of mineralisation including high-grade resources within the footwall zone (Figure 5 & 6).

The Company is also assessing bulk underground mining opportunities to mine to a lower cut-off grade, by combining the high-grade lodes and intervening lower grade material into wide bulk stopes to further reduce costs, as the entire mineralised structure at Bulletin is in the order of 50m wide.

For personal use only

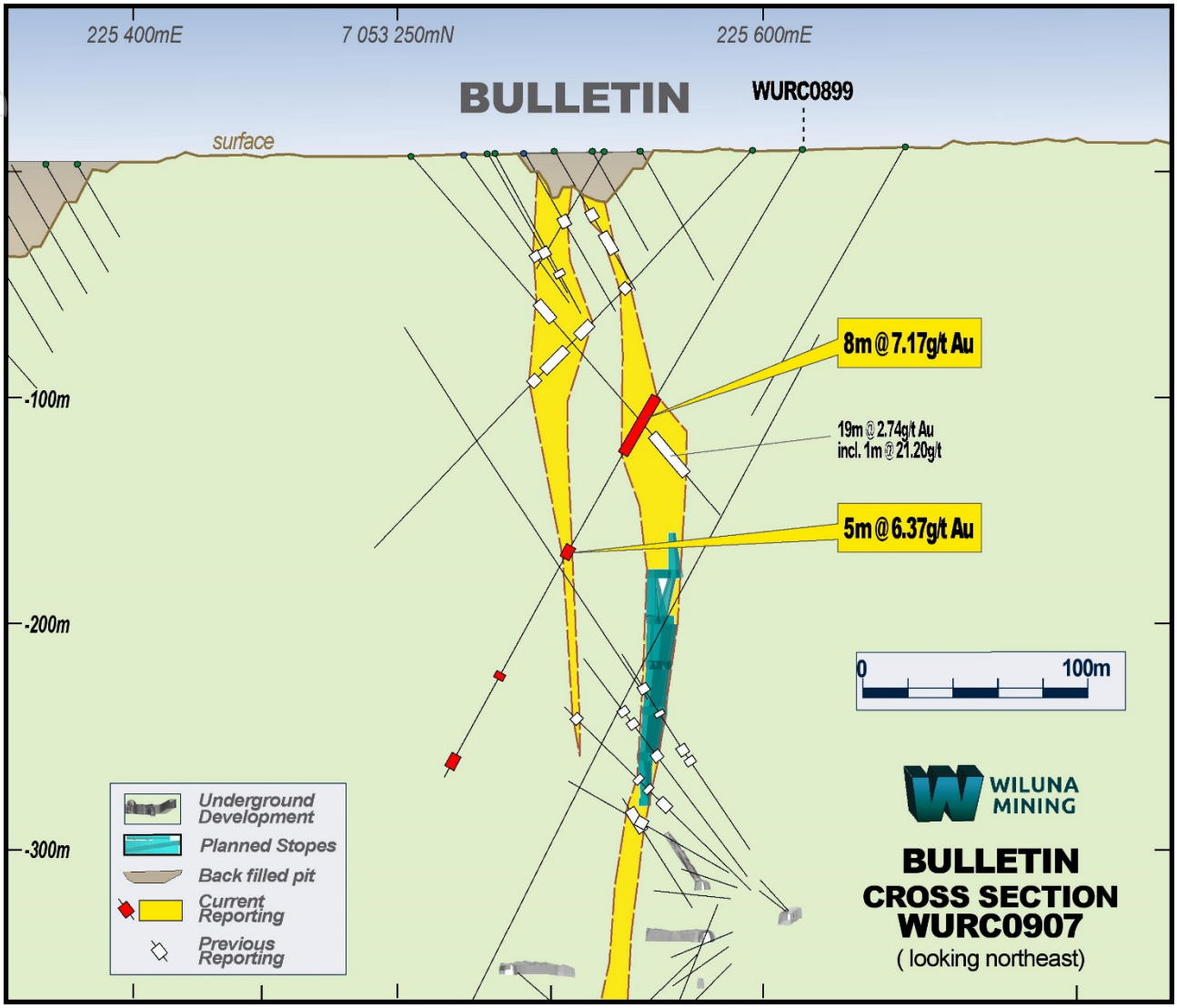


Figure 5: Bulletin cross section with high grades showing potential shallower extensions to preliminary planned stopes.

For personal use only

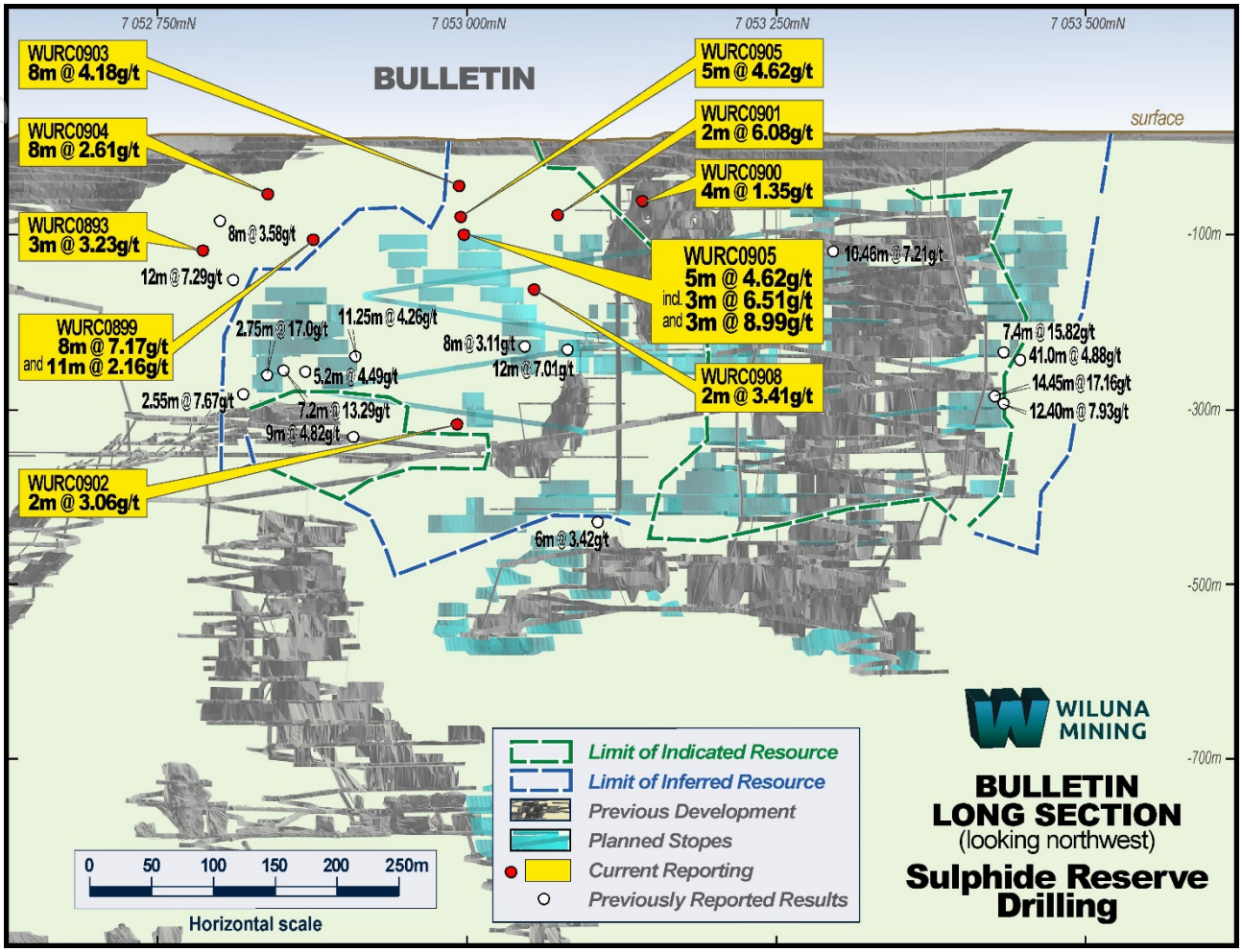


Figure 6: Bulletin long section with infill drilling of preliminary planned stopes in Inferred Resource areas.

At Lennon, the Company has commenced development to access the high-grade mineralisation, which is situated adjacent to Golden Age and close to the existing access via the Bulletin decline. Mineralisation comprises multiple high-grade sulphide shears, with processing options through either the existing free-milling circuit or as part of the proposed staged expansion of the sulphide processing plant at Wiluna.

Latest Lennon results further infill the resource above the previously stoped 1200 level up to approximately the 1280 level and extend mineralisation along strike to the northeast around the 1180 to 1200 levels (Figure 7). The final outstanding drill holes from Lennon (see ASX announcement 2 September 2020) include:

BUUD0082:	**2.55m @ 7.67g/t**	(Lennon)
BUUD0087:	**2.75m @ 17.00g/t**	(Lennon)
BUUD0095:	**9.00m @ 4.82g/t** incl. **3.90m @ 8.27g/t**	(Lennon)

For personal use only

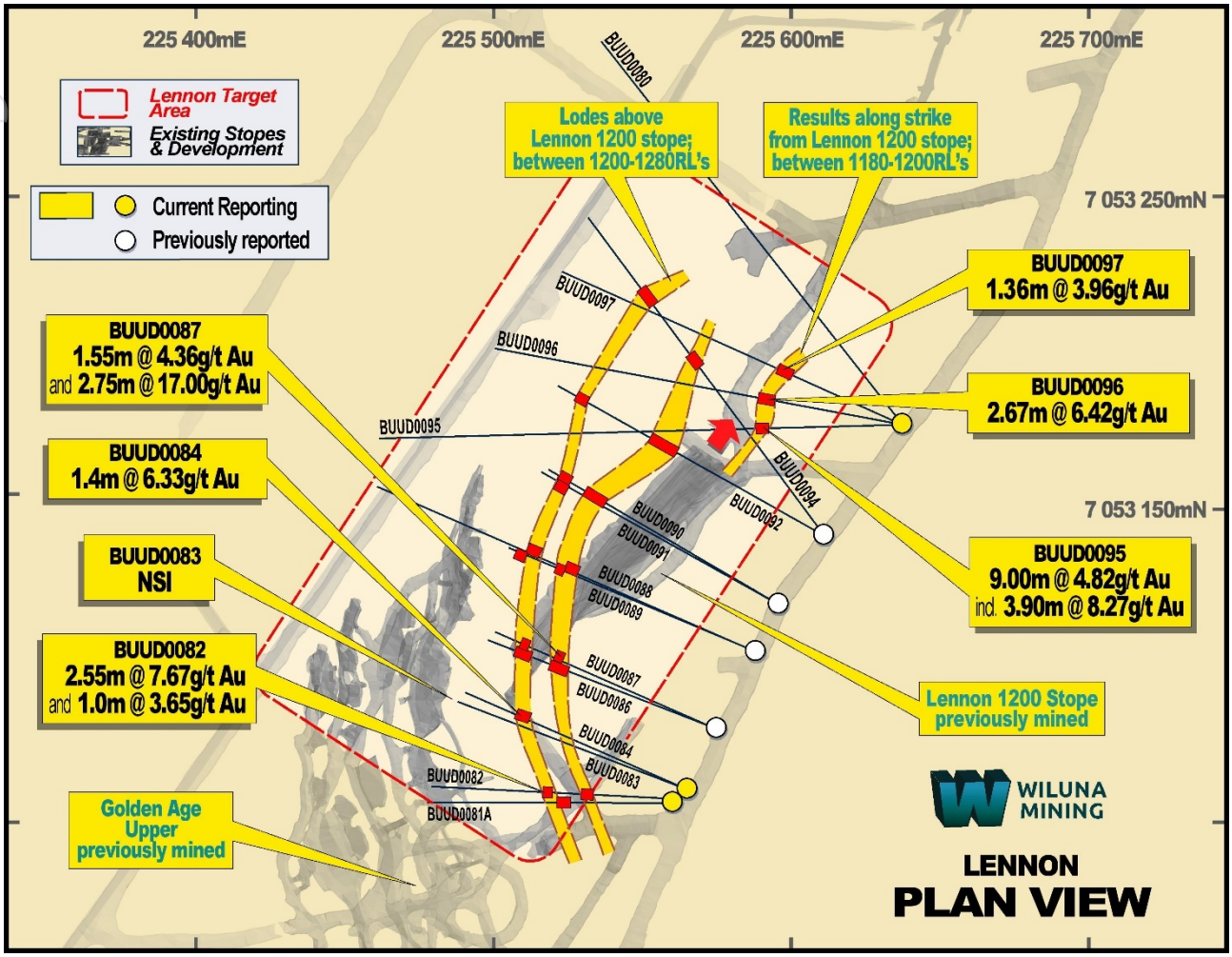


Figure 7: Lennon plan view with significant intercepts in multiple parallel gold structures.

At Golden Age, drilling designed to enhance the free milling operation ahead of Stage 1 sulphide production has intersected ultra-high grades within quartz reef (see ASX announcement 2 September 2020) in Figure 8:

GARD0130: 5.96m @ 112.98g/t, incl. **0.41m @ 185g/t** & **0.65m @ 880g/t**

Golden Age currently supplements the baseload free-milling open pits and is an important source of transitional cashflow for the next 12 months. Golden Age and Lennon will also continue to provide mill feed for Stage 1 and 2 of the Wiluna development plan.

For personal use only

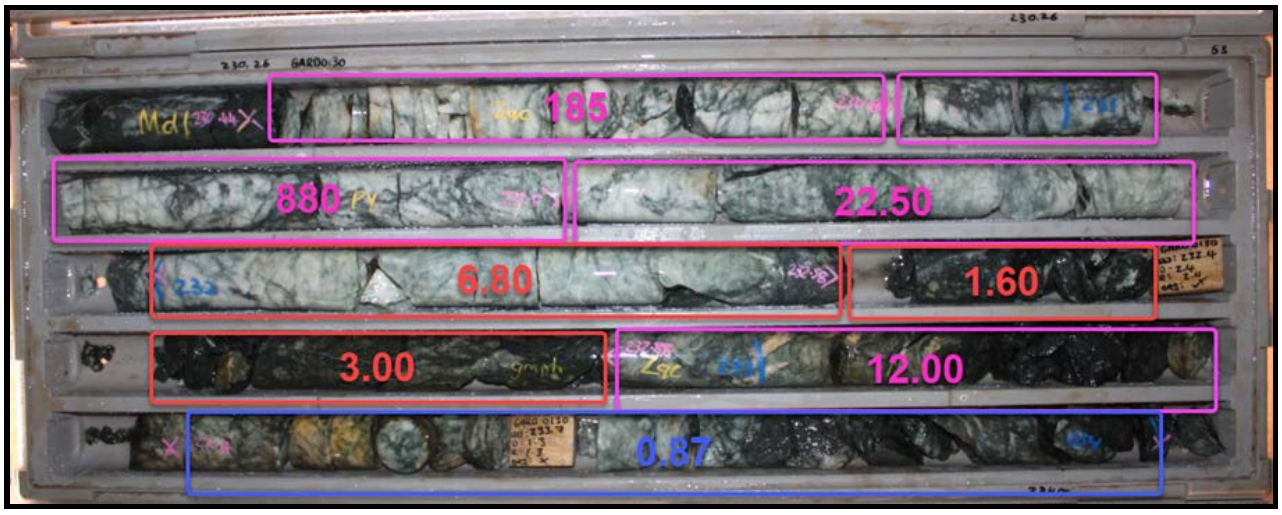


Figure 8: Golden Age intersection with assays annotated, showing ultra-high grades in quartz reef.

Previously reported results (see ASX annoucement dated 8 July 2020 and 4 June 2020) including **GARD0112: 7.1m @ 7.47g/t** and **GARD0104: 2.5m @ 10.53g/t & 2.4m @ 12.67g/t**, show that high-grade Golden Age mineralisation remains open for a considerable distance below the current workings (Golden Age Lower target), and east of the currently mined Golden Age Middle zone (Figure 9).

For personal use only

For personal use only

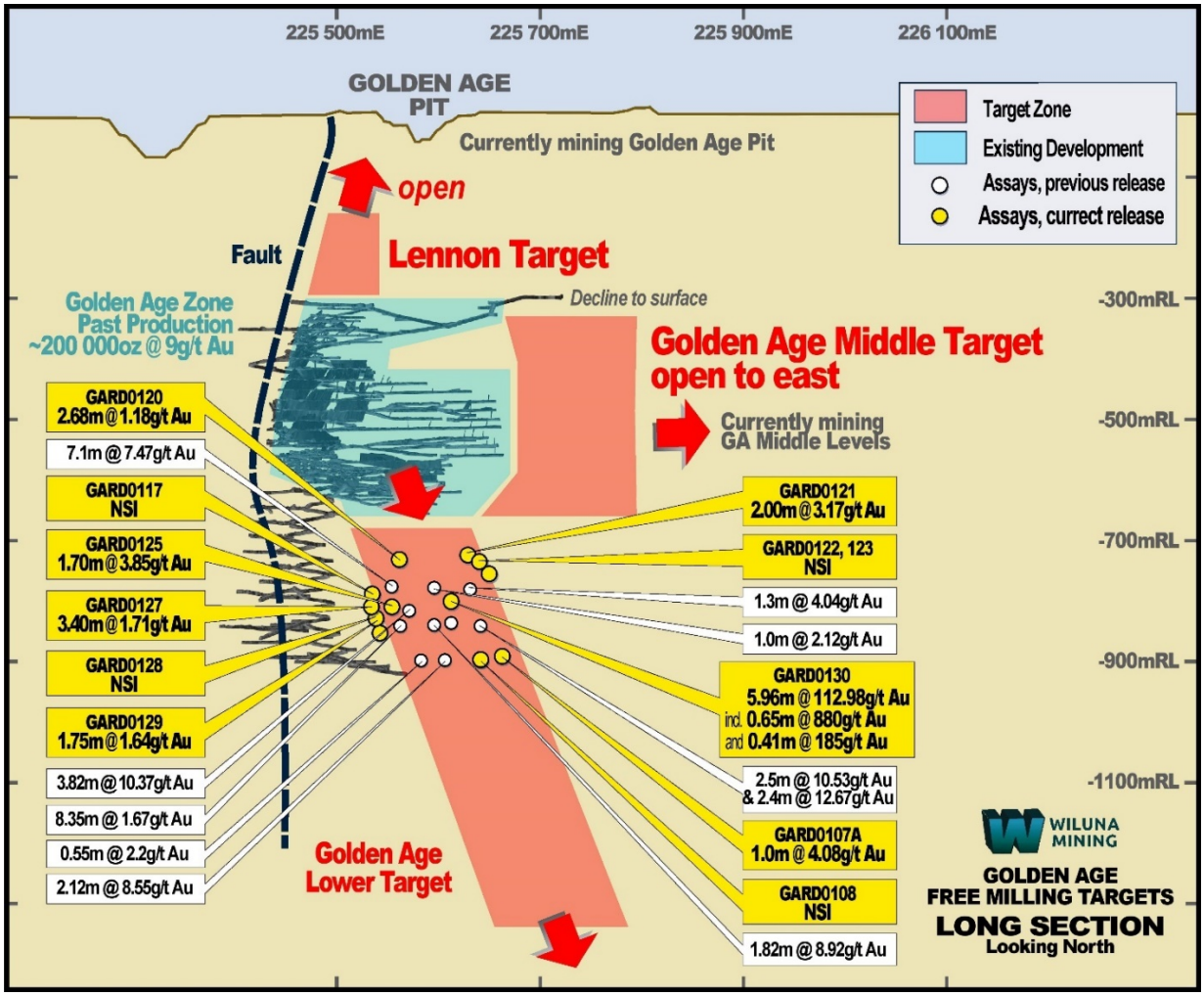


Figure 9: Golden Age long section showing Golden Age Lower target and significant results.

Mineral Resource Update

During the quarter the Company released an updated Mineral Resource Statement (see ASX announcement dated 30 September 2020). The Mineral Resource ranges from 143Mt @ 1.6 g/t for 7.3Moz to 71 Mt @ 2.2 g/t for 5.0Moz depending on the cut-off grade used (Table 5).

Supporting the sulphide development plan at the Wiluna Mining Centre, is a Mineral Resource of 23.9Mt @ 4.89 g/t for 3.76Moz using a 2.5 g/t cut-off (Table 5). Mineral Resource updates will continue to follow as drilling of the large Wiluna gold system continues. A further Mineral Resource Statement and interim Reserves statement supporting the sulphide development and its funding will be released early in the new year. The Company continues its aggressive drilling programme of the last nine months, with four rigs currently drilling on site.

The true scale and potential of the Wiluna Mining Centre is yet to be understood. **What we know is that the system extends over at least 3.5km of strike with deepest workings to 1,000m and deepest drilling to only 1,200m.** The main mineralisation is not closed off along strike or down dip and the gold endowment of cross cutting structures both within the main mineralisation and peripheral to it has been insufficiently assessed. The potential for mining of high-grade shoots as previously interpreted and exploited, or wider shear zones potentially lending themselves to bulk mining methods, has yet to be fully tested.

A significant Mineral Resource development drilling programme is underway to fully scope out the scale of the gold system as well as the optimal mine plan to best exploit the mine. 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.

Table 5: Mineral Resources as at 30 June 2020

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	-	-	-	18.31	3.61	2,125	34.67	2.67	2,979	**52.98**	**3.00**	**5,104**
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	**1.93**	**1.28**	**80**	**22.89**	**3.20**	**2,356**	**39.77**	**2.53**	**3,240**	**64.59**	**2.73**	**5,676**
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	**2.44**	**1.20**	**94**	**58.20**	**1.60**	**3,002**	**39.77**	**2.53**	**3,240**	**100.42**	**1.96**	**6,337**

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	-	-	-	32.41	2.33	2,428	63.19	1.79	3,631	**95.59**	**1.97**	**6,058**
1.0	**-**	**-**	**-**	**18.31**	**3.61**	**2,125**	**34.67**	**2.67**	**2,979**	**52.98**	**3.00**	**5,104**
2.5	-	-	-	10.23	5.25	1,727	13.69	4.62	2,033	**23.93**	**4.89**	**3,760**

For personal use only

For personal use only

CORPORATE & ESG

As at 30 September 2020, Wiluna Mining had $13.2m in cash and bullion (June 2020: $11.4m). Gold sales revenue for the September 2020 quarter was based on 12,108oz sold at an achieved price of $2,584/oz (after realised treasury transactions).

Compared to the June 2020 quarter, which included significant investment in open pit preproduction mining activities at Williamson, the Company changed gears with the commencement of sulphide underground mining. Investment in sulphide underground preproduction mining, drilling and feasibility work will continue to be the focus in coming quarters.

Significant balance sheet repair was undertaken in the September 2020 quarter which included the trade and other payables position improving to ~$29m (June 2020: $34m).

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.

Net debt at 30 September 2020 was $4.7m (June 2020: Net cash of $11.1m). During the quarter the first Tranche of the Mercuria Prepaid Swap Financing Facility was executed. $21m was drawn down in August and will be repaid by delivering 699oz of gold per month over 12 months, totalling 8,388oz (commencing 27 August 2020).

At 30 September 2020 a total of two repayments against the Mercuria Tranche 1 have been repaid. This means the delivery of a further 6,990oz or $17.5m of principal remains outstanding.

As part of the prepaid swap facility, Wiluna Mining have negotiated a favourable, ongoing hedging facility with Mercuria. At 30 September 2020 the Company has gold forward sales contracts for 34,000oz at an average price of $2,674/oz, maturing by 29 July 2021. This hedge facility is welcomed in a time of important cash flow management, high gold prices, as well as developing a longer-term relationship with Mercuria.

A further $40m (Tranche 2) may be advanced on the Mercuria facility. The additional $40m will be made available upon certain conditions being satisfied and was not part of Mercuria's initial Tranche 1 credit approval.

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 2.0 with one lost time case reported for the quarter.

During the quarter the Company made significant advances in developing a strong ESG platform. An ESG Management Committee was established, chaired by Board member Ms Sara Kelly. The Company appointed Dr Jim Bawden as its ESG consultant and Dr Bawden will develop over next few months the Company's ESG charter and platform. In addition, Ms Trish Botha was appointed as our Indigenous Liaison Officer, and she has spent several days on site and in Wiluna talking to the local community members regarding a number of 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. The Company also recently donated $10,000 to the Royal Flying Doctor Services.

For personal use only

Table 6 – Quarterly Cash Flows

Quarterly Cash Flows	Sep'20 A$000
Cash Flows from Operations:	
Gold Sales Revenue at Spot	32,166
Operating Costs	(29,790)
Net Operating Cash Flows	**2,376**
Net Corporate/ Admin	(1,463)
Net Interest Expense	(653)
Realised Treasury Gain / (Loss)	(1,052)
Working Capital Movements	(6,133)
Net Operating Cash Flows after Overheads	**(6,924)**
Investing Activities:	
Open Pit Pre-production Mining	(299)
Underground Pre-production Mining	(2,125)
Property, Plant & Equipment	(325)
Geology & Studies	(8,339)
Acquisitions / Sale of Assets	(141)
Financing Activities:	
Net Proceeds from Equity issued	-
Debt Drawdowns	21,206
Debt Principal Repayments	(3,525)
Other	66
Net Cash Flows	**(405)**
Opening Cash & Bullion in Transit	**11,361**
Closing Cash & Bullion in Transit	**10,956**
Market value of gold in metal account	2,230
Closing Cash & Bullion	**13,186**

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

For personal use only

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.

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 5:

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.