



WILUNA MINING CORPORATION LIMITED
ACN 119 887 606

OFFER DOCUMENT

For a pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of one (1) New Share for every four (4) existing Share held by Eligible Shareholders on the Record Date at an issue price of \$1.00 per New Share to raise \$31,553,877 (before costs) (**Offer**).

The Offer opens on 13 April 2021 and closes at 5:00pm (WST) on 7 May 2021 (unless it is lawfully extended). Valid acceptances must be received before that time.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this Offer Document.

The New Shares offered by this Offer Document should be considered as speculative.

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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document is dated 1 April 2021, has been prepared by Wiluna Mining Corporation Limited and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document. The ASX and its officers take no responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in Section 5 of this document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This offer document (**Offer Document**) is issued pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document was lodged with ASX on 1 April 2021.

In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Offer is extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or the Approved Foreign Jurisdictions. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

New Zealand Shareholders

The Offer is being made in New Zealand pursuant to the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

International Offer Restrictions

This Offer Document and the Entitlement and Acceptance Form may not be distributed outside Australia and New Zealand except that they may be distributed in the Approved Foreign Jurisdictions in compliance with the permissions set out in Section 1.5 and Section 3.20 of this Offer Document.

This Offer Document and the Entitlement and Acceptance Form are intended for use only in connection with the Offer:

- to all Shareholders with a residential address in Australia, New Zealand; and
- to the limited number of retail Shareholders to whom offers, and issues of New Shares, may lawfully be made without the need for disclosure to investors, or lodgement, registration, approval or filing with a government agency (other than one with which the Company is willing to comply) with a residential address in the United Kingdom, Switzerland, Germany, Luxembourg, Canada (British Columbia, Ontario, and Quebec) or the United States of America.

Shareholders resident in Australia, New Zealand or Approved Foreign Jurisdictions or holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Appointment of Ineligible Foreign Holder Nominee

Pursuant to section 615 of the Corporations Act and for the purposes of Listing Rule 7.7, the Company has appointed JRP Securities Pty Ltd as the Company's foreign holder nominee (**Nominee**). The Company has applied to ASIC to approve the appointment of the Nominee. As at the date of this Offer Booklet, ASIC has not approved the appointment of the Nominee. Pursuant to the arrangement with the Nominee, the Nominee will subscribe for the New Shares which Ineligible Foreign Shareholders would be entitled to if they were eligible to participate in the Offer (**Nominee Shares**). The Nominee will then sell the Nominee Shares and remit the net proceeds from the sale of the Nominee Shares (if any) to the Ineligible Foreign Shareholders in proportion to their respective shareholdings. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Nominee Shares must be sold and the manner of any such sale. Any interest earned on the proceeds of the sale of the Nominee Shares will firstly be applied against expenses of the sale, including brokerage, and any balance will form part of the proceeds payable to the Ineligible Foreign Shareholder (if any). The Company will forward the proceeds of the sale of the Nominee Shares (if any) as soon as reasonably practicable to the Ineligible Foreign Shareholders in proportion to their respective shareholdings (after deducting the subscription price, brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Notwithstanding that the Nominee must sell the Nominee Shares, Ineligible Foreign Shareholders may nevertheless receive no net proceeds if the subscription price plus costs of the sale is greater than the sale proceeds. The Company will pay the Nominee \$14,000 plus GST. Both the Company and the Nominee take no responsibility for the outcome of the sale of the Nominee Shares.

1.5 Notice to nominees and custodians

The Offer and Shortfall Offer is being made to all Eligible Shareholders. Nominees with registered addresses in Australia, New Zealand and the Approved Foreign Jurisdictions may be able to participate in the Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians should note that the Offer and Shortfall Offer is not available to beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Shareholder.

Due to legal restrictions, nominees and custodians may not send copies of this Offer Document or accept the Offer or Shortfall Offer on behalf of any person who is not in Australia, New Zealand or an Approved Foreign Jurisdiction except, with the consent of the Company, who will determine if the number of beneficial shareholders that the nominee or custodian proposes to participate in the Offer and Shortfall Offer will be permitted in compliance with applicable law.

The Company is not required to determine whether or not any registered Shareholder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares. Where any person is acting as a nominee or custodian for a foreign person that person in dealing with its beneficiary will need to assess whether indirect participation in the Offer and Shortfall Offer by the beneficiary, complies with applicable foreign laws.

Return of a duly completed Entitlement and Acceptance Form or Shortfall Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.6 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention of updating or revising forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Offer Document.

1.7 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs

as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Milan Jerkovic
Executive Chair

Neil Meadows
Operations Director

Greg Fitzgerald
Non-Executive Director

Anthony James
Non-Executive Director

Sara Kelly
Non-Executive Director

Company Secretary
Dan Travers

Share Registry*

Link Market Services Limited
Level 12
250 St Georges Terrace
PERTH WA 6000

Telephone: +1300 554 474
Facsimile: +61 02 9287 0303

Auditor*

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

Registered Office

Level 3
1 Altona Street
WEST PERTH WA 6005

Telephone: +61 8 9322 6418
Website: www.wilunamining.com.au

Bankers

National Australia Bank
100 St Georges Terrace
PERTH WA 6000

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

3. DETAILS OF THE OFFER

3.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) New Share for every four (4) Shares held by Shareholders registered at the Record Date at an issue price of \$1.00 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 3.7 of this Offer Document, a maximum of 31,553,877 New Shares will be issued pursuant to this Offer to raise up to \$31,553,877 (before costs).

As at the date of this Offer Document, the Company has 2,702,970 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 3.7 of this Offer Document for information on the exercise price and expiry date of the Options on issue.

All of the New Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

Your personalised Entitlement and Acceptance Form can be accessed and downloaded via the Capital Raising website: <https://events.miracle.com/WMX-offer>

If you have more than one registered holding in Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each holding.

3.2 Minimum subscription

There is no minimum subscription. Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. Please refer to Section 4.5 for further details of the Shortfall Offer.

3.3 Source & Use of Funds

In addition to its equity raising activities, the Company continues to pursue debt funding in the form of Mercuria Tranche 2¹ debt for approximately \$40,000,000. The following table shows the expected use of funds if the maximum funding amount from these initiatives is reached, which would amount to a total of funds raised of \$79,023,729 (before costs). The sources and uses of funds are presented as follows:

Source of Funds	A\$m	Use of Funds	A\$m
Placement	7	Concentrator & ancillary	26
Entitlement issue	32	Tailings Retreatment (Wiltails)	8
Mercuria Tranche 2 Loan	40	Development – Mine infrastructure	1
Cash flows from operations (1 March to 30 September 2021)	20	Development – preproduction mining	32
		Studies & Stage 2 Drilling	15
		Working capital net of capital raising fees	17
Total Sources of Funds	99	Total Uses of Funds	99

These uses of funds have been determined by the Company using a gold price of A\$2,270/oz in its economic modelling. A significant change in the gold price would warrant a change in the Company's forecasted revenues and expenditure profile, which would impact the Company's funding requirements.

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis. Due to market conditions, the development of new opportunities (in respect of the Company's business) and/or any number of other factors

(including the risk factors outlined in Section 5), actual expenditure levels may differ significantly to the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied.

¹ The Company's existing financing facility with Mercuria Energy Trading Pte. Ltd. ("Mercuria") contemplates the potential to advance an additional amount of \$40 million intended to contribute to the financing of Wiluna Mining's Stage 1 Development program, subject to usual Mercuria credit approval processes. A signed, indicative, non-binding term sheet is being progressed, with the intention for financial completion subject to certain Conditions Precedent and mandatory approvals. Refer to the ASX release dated 14 August 2020.

Alternative Funding Allocation Scenarios

The Company's plan is to implement the Stage 1 Development with the proceeds of this Offer together with the proceeds of the (now completed) March 2021 Placement, and a yet to be completed debt financing of approximately \$40,000,000.

If sufficient debt finance cannot be raised because of adverse market conditions or other reasons, the funds raised under this Offer may not be sufficient to execute the Stage 1 Development. If the Company is unable to obtain additional funding as required, the Company may be required to delay or seek alternative funding for the Company's Stage 1 Development and/or reduce the scope of its operations.

The information set out in the table below provides information on the Company's proposed use of funds in the event of the Company not obtaining debt financing of approximately \$40,000,000:

Source of Funds	A\$m	Use of Funds	A\$m
Placement	7	Concentrator & ancillary	26
Entitlement issue	32	Tailings Retreatment (Wiltails)	8
Cash flows from operations (1 March to 30 September 2021)	20	Development – Mine infrastructure	1
		Development – preproduction mining	21
		Studies & Stage 2 Drilling	1
		Working capital net of capital raising fees	2
Total Sources of Funds	59	Total Uses of Funds	59

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis. Due to market conditions, the development of new opportunities (in respect of the Company's business) and/or any number of other factors (including the risk factors outlined in Section 5), actual expenditure levels may differ significantly to the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied. Shareholders should also note that alternative funding would be required in this case, as Stage 1 would not be fully funded.

The above tables are a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above tables may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

As the offer is not underwritten, the allocation of funds would be scaled back if less than the full subscription of the Offer was raised. In that case, the Company may be required to delay or seek alternative funding for the Company's Stage 1 Development and/or reduce the scope of its operations. Primarily, the "Concentrator and ancillary works" commitments (at the time, which would be less than the total works of \$26m) would need to be paid for using cash flows from operations, and any shortfall would need to be funded from alternative means, such as a capital raising or debt funding. All other uses of funds would need to be stopped until alternative funding is sought.

3.4 Indicative Timetable

Announcement of Entitlement Issue & Appendix 3B with ASX	Wed 24 Mar 2021
Lodgement of Offer Document and cleansing notice	Thu 1 Apr 2021
Ex-date	Wed 7 Apr 2021
Record Date for determining Entitlements	Thu 8 Apr 2021
Offer document sent out to Shareholders, Notice sent to Ineligible Shareholders & Company announces this has been completed	Tue 13 Apr 2021
Last day to extend the Entitlement Issue Closing Date	Tue 4 May 2021
Closing Date (before 5.00pm WST) *	Fri 7 May 2021
Shares quoted on a deferred settlement basis	Mon 10 May 2021
ASX notified of under subscriptions	Wed 12 May 2021
Issue date/Shares entered into Shareholders' security holdings	Fri 14 May 2021
Quotation of Shares issued under the Entitlement Issue on a normal T + 2 settlement basis*	Mon 17 May 2021

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only and are subject to change.

3.5 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 4 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You can also apply for Additional Shares under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 4. The Shortfall Offer is described in Section 4.5 below.

3.6 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.7 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Shares currently on issue as at the date of this Offer Document	118,745,654
Placement	7,469,852
Shares (post placement) on issue at record date	126,215,506
Shares offered pursuant to the Offer	31,553,877
Total Shares on issue after completion of the Offer¹	157,769,383

Notes:

1. This number may vary due to rounding of Entitlements and may increase because of the rounding up of New Shares offered under the Offer.

Options	Number
Options Currently on issue as at date of this Offer Document:	
– Unlisted Options exercisable at \$8.00 each and expiring on 13 February 2024.	720,000
– Unlisted zero-priced Options expiring on 31 December 2021.	120,187
– Unlisted zero-priced Options expiring on 30 June 2023.	867,360
– Unlisted zero-priced Options expiring on 30 June 2024.	995,423
Total Options on issue after completion of the Offer	2,702,970

The capital structure on a fully diluted basis as at the date of this Offer Document would be 121,448,624 Shares. On completion of the Placement and Offer (assuming all Entitlements are accepted and no Options are exercised or Convertible Notes are converted prior to the Record Date) would be 157,769,383 Shares. No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.8 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	20,000,000	15.84	5,000,000	20,000,000	12.68
Shareholder 2	15,000,000	11.89	3,750,000	15,000,000	9.51
Shareholder 3	10,000,000	7.92	2,500,000	10,000,000	6.34
Shareholder 4	5,000,000	3.96	1,250,000	5,000,000	3.17
Shareholder 5	1,000,000	0.79	250,000	1,000,000	0.63
Shareholder 6	500,000	0.40	125,000	500,000	0.32

Notes:

1. This is based on a share capital of 126,215,506 Shares (post placement) on issue at record date.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

3.9 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Options	Voting Power (%)	Entitlement ²	\$
Milan Jerkovic ¹	1,110,420	259,241	0.88	277,605	277,605
Neil Meadows	Nil	159,231	Nil	Nil	Nil
Greg Fitzgerald	Nil	Nil	Nil	Nil	Nil
Anthony James	Nil	Nil	Nil	Nil	Nil
Sara Kelly	Nil	Nil	Nil	Nil	Nil

¹Mr Jerkovic intends to participate under the Offer and take up his Entitlements in full

3.10 Effect of the Offer on control and voting power in the Company

The Company's substantial holders and their Entitlement prior to the Offer are set out in the table below.

Substantial Holder ¹	Shares	Voting Power (%)	Entitlement	\$
Delphi Unternehmensberatung Aktiengesellschaft and affiliates	42,561,960	35.84	10,640,490	10,640,490
Franklin Resource, Inc. and its affiliates	6,000,000	5.05	1,500,000	1,500,000
UBS Group AG and its related bodies corporate	6,152,550	5.18	1,538,138	1,538,138

Notes:

1. The voting power in the table is prior to settlement of the Offer.
2. Delphi and their associated company Spart and Deutsche Balaton intend to take up their full allocation

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all eligible shareholders take up their entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement as shown by the table in Section 3.8; and
- (c) in respect of any shortfall, Eligible Shareholders may apply to top-up their shareholding, by subscribing for additional Shares to be issued under the Shortfall Offer at the discretion of the Directors. However, the Company will only issue such Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.99% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law. Further information on the Shortfall Offer is set out in Section 4.5.

3.11 Pro forma Statement of Financial Position

The unaudited but reviewed pro forma statement of financial position as at 31 December 2020 is set out in Annexure 1, and has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. The pro forma statement of financial position has been prepared assuming:

- 1) Significant changes since 31 December 2020 including the following:
 - a. an increase in non-current assets of \$8.9m due to the continued underground mine development, and drilling programmes to expand reserves and resources;
 - b. an increase in trade and other payables of \$3.5m as a result of significant spend in the capital areas as noted above;
 - c. a decrease in interest-bearing liabilities of \$3.1m through continued monthly repayments of debt; and
 - d. an increase in issued capital of \$9.3m resulting from the following transactions:
 - i. the issue of 1,400,000 shares at a price of \$1.43 as part of the Share Purchase Plan completed in January 2021;
 - ii. the completion of the Placement to raise \$7,469,852 (before costs); and,
 - iii. the estimated costs of the Placement being approximately \$139,000.
- 2) An Entitlement Offer comprised of:
 - a. at full subscription of the Offer, the issue of 31,553,877 new shares at \$1.00 each to raise up to \$31,553,877 (before costs); and,
 - b. the estimated costs of the Entitlement Offer being approximately \$1,463,000;
- 3) Mercuria debt funding comprised of:
 - a. a drawdown of \$40,000,000 (before costs); and,
 - b. estimated costs of the funding of \$1,150,000, including a 0.5% corporate advisory fee payable to Xavier Group (a related entity of the Company's Executive Chair, Milan Jerkovic).

The pro forma statement of financial position has been prepared to provide investors with information on the assets and liabilities of the Company and pro forma assets and liabilities of the Company as noted in Annexure 1. The historical and pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the Australia Accounting Standards applicable to annual financial statements.

3.12 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	\$1.520	5 January 2021
Lowest	\$0.985	30 March 2021
Last	\$1.035	31 March 2021

3.13 Opening and Closing Dates

The Offer opens on the Opening Date, being 13 April 2021, and closes on the Closing Date, being 5:00pm (WST) on 7 May 2021 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.14 Issue and dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 3.4 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 3.4 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.15 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.16 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.17 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 5 of this Offer Document for further details.

3.18 Taxation implications

The Directors do not consider it appropriate to give Shareholder's advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

3.19 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.wilunamining.com.au or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement and Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

3.20 International Offer Restrictions

No action has been taken to register or qualify the New Shares, or the Offer, or otherwise to permit the public offering of the New Shares, in any jurisdiction outside of Australia, New Zealand, the United Kingdom, Germany, Luxembourg, Switzerland, Canada (British Columbia, Ontario and Quebec) or the United States of America (to investors as defined in Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act of 1933 (US Accredited Investors)).

The distribution of this Offer Document within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Offer Document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Offer Document does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Offer Document.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

New Zealand

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

The Offer and the contents of this Offer Document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

United Kingdom

Neither the information in this document nor any other document relating to the Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005*, as amended, or (ii) to whom it may otherwise be lawfully communicated (together relevant persons). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Germany and Luxembourg

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the *Directive 2003/71/EC (Prospectus Directive)*, as amended and implemented in Member States of the European Economic Area, from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in Germany and Luxembourg except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the relevant Member State:

- (a) to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non- professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, MiFID II) and the MiFID II Delegated Regulation (EU) 2017/565;
- (b) to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- (c) to any person or entity who has requested to be treated as a professional client in accordance with MiFID II;
- (d) to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565;
- (e) to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)I of the Prospectus Directive) subject to obtaining the prior consent of the Company; or

- (f) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares will result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this Offer Document nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offer Document will not be filed with, and the offer of the New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

Neither this Offer Document nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This Offer Document is personal to the recipient and not for general circulation in Switzerland.

United States of America

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States of America. The securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States of America except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. In particular, this document may only be distributed by the Company in the United States of America to institutional "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the US Securities Act of 1933.

Canada (British Columbia, Ontario and Quebec provinces) Notice

This document constitutes an offering of Shares only in the Provinces of British Columbia, Ontario and Quebec (**Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Shares or the offering of the Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares or the resale of such securities. Any person in the Provinces lawfully participating in the Offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the

Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission: Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations: Prospective purchasers of the Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada: Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que

tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Additional Warning Statement: Currency Exchange Risk

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand, United Kingdom, Germany, Luxembourg, Switzerland, Canada (British Columbia, Ontario and Quebec) or the United States of America currency. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand, United Kingdom, Germany, Switzerland, Canada or the United States of America currency. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand, United Kingdom, Germany, Luxembourg, Switzerland, Canada (British Columbia, Ontario and Quebec) or the United States of America currency, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars, in the United Kingdom in pound sterling, in Germany and Luxembourg in euro, in Switzerland in Swiss francs, in Canada in Canadian dollars or in the United States of America in United States dollars.

Additional Warning Statement: Trading on Financial Product Market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the United Kingdom, Germany, Switzerland, Canada or the United States of America, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand, the United Kingdom, Germany, Luxembourg, Switzerland, Canada (British Columbia, Ontario and Quebec) or the United States of America.

3.21 Enquiries concerning Offer Document

If you require further information regarding the offer, or how to complete the Entitlement and Acceptance Form, please contact the Wiluna Mining Corporation Limited Offer Information Line on 1300 970 086 (within Australia) or +61 1300 970 086 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) make payment by BPAY® or attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you wish to accept your **full** Entitlement and apply for Shares under the **Shortfall Offer**
 - (i) complete the Entitlement and Acceptance Form;
 - (ii) fill in the number of Shortfall Shares you wish to apply for under the Shortfall Offer in the space provided on the Entitlement and Acceptance Form; and
 - (iii) make payment by BPAY® or attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$1.00 per New Share), or
- (c) if you only wish to accept **part** of your Entitlement:
 - (ii) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (iii) attach your cheque or arrange payment by BPAY® for the appropriate Application monies (at \$1.00 per New Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Your completed Entitlement and Acceptance Form and payment must reach the Registry no later than 5:00pm (WST) on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

4.2 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

4.3 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “WILUNA MINING CORPORATION LIMITED” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry at the address set out on the Entitlement and Acceptance Form

by no later than 5:00pm WST on the Closing Date.

Mailing Address
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

4.4 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

4.5 Shortfall Offer

Any New Shares under any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Shares**).

Eligible Shareholders may apply for Shortfall Shares under the Shortfall Offer in addition to their Entitlements subject to such applications being received by the Closing Date. The issue price for each Shortfall Share to be issued under the Shortfall offer shall be \$1.00 being the price at which New Shares have been offered under the Offer.

The Shortfall Offer will be open to existing all Eligible Shareholders, and new eligible external investors to the Company.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$1.00 being the price at which Shares have been offered under the Offer.

Eligible Shareholders who wish to apply for Shortfall Shares in addition to their Entitlement may do so using the one Entitlement and Acceptance Form. A separate Shortfall Offer Form will be provided for third parties who wish to apply for Shortfall Shares.

Allocation of the Shortfall Shares will be at the discretion of the Board. If the Offer is oversubscribed (by take up of Entitlements and Applications for Shortfall Shares by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer at the discretion of the Board. There is no guarantee that Eligible Shareholders will receive any Shortfall Shares applied for under the Shortfall Offer or the full amount of Shortfall Shares for which they have applied. When determining the amount (if any) by which to scale back an application, the Company may consider a number of factors, including the size of an applicant's shareholding in the Company, the extent to which an applicant has sold or bought Shares in the Company (before and after both the announcement of the Offer and the Record Date), as well as when the application for Shortfall Shares was made. It is an express term of the Offer that an applicant for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for, if so allocated. If a lesser number of Shortfall Shares is allocated to an applicant for Shortfall

Shares than applied for, excess application monies will be refunded without interest to the applicant.

Any Shortfall Shares not applied for by Eligible Shareholders may be placed and allocated by the Company in the three months following the Closing Date of the Offer.

No Shortfall Shares will be issued via the Shortfall Offer to any related parties of the Company the Company will only issue such Shortfall Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shortfall Shares will not increase the applicant's voting power above 19.99% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares. Each of the risks set out below, if they eventuate, could have a material adverse impact on the Company's business and prospects, financial condition, results of operation, cash flows and on the value of the Company's Shares.

5.2 Company Specific Risks

(a) Proceeds of Offer may not provide sufficient funding for Stage 1 Development

As noted in Section 2.6, the Company's plan is to implement the Stage 1 Development with the proceeds of this Offer together with a yet to be completed debt financing. If the Placement and Offer does not complete or if sufficient debt finance cannot be raised because of adverse market conditions or other reasons, the funds raised under this Offer may not be sufficient to execute the Stage 1 Development. If the Company is unable to obtain additional funding as required, the Company may be required to delay or indefinitely postpone the Company's Stage 1 Development and/or reduce the scope of its operations. This is likely to have an adverse effect on the Company's ability to achieve its strategic goals in the short to medium term, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares.

(b) Potential for significant dilution

Upon implementation of the Offer, the Company will issue up to approximately 31,553,877 New Shares under the Offer (subject to rounding and assuming no existing Options are exercised or prior to the Record Date).

The capital structure upon completion of the Offer is set out in Section 3.7.

The issue of the New Shares will dilute the interests of existing Shareholders. There is also a risk that Shareholders will be further diluted as a result of future capital raisings required in order to fund working capital and development requirements of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the date of this Offer Document is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

Dilution will only occur if existing shareholders do not accept their entitlement in full (or partially in proportion to the overall level of acceptance under the offer).

(c) Resource and reserve estimates

The Company has made estimates of its resources and reserves based on relevant reporting codes, where required, and judgments based on knowledge, skills and industry experience. However, resource and reserve estimates are inherently prone to variability and there is no guarantee they will prove to be accurate. They involve expressions of judgement with regard to the presence and quality of mineralisation and the ability to extract and process the mineralisation economically. These judgments are based on a variety of matters such as drilling results, past experience, knowledge and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations and reduce the estimated amount of gold mineral resources and ore reserves available for production and expansion plans.

(d) Exploration, development and production and sale risks

Mineral exploration and development are high risk undertakings. The tenements of the Company are at various stages of exploration, development and production.

There can be no assurance that exploration of the mining tenements, or any other tenements that may be acquired in the future, will result in the discovery of economic mineral reserves and, even if identified, there is no guarantee that they can be economically exploited. Even if economic mineralisation is discovered there is no guarantee that it can be commercially exploited.

Production relies on the continued operation and performance of the Company's operating mines, plant, equipment, power stations, borefields, camp, tailings dams and processing facilities. Mining and development operations can be hampered by force majeure circumstances, environmental and heritage considerations and cost overruns for unforeseen events. Competent management of operations and finance in relation to the Company's plants, mines mining equipment, power stations, borefields, camp, tailings dam and processing facilities are essential for production to be successful.

The Company is currently in plans to proceed with its Stage 1 Development and as such is exposed to normal risks and uncertainties, such as its Stage 1 Development failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, potential equipment breakdown, failures and operational errors. There is no guarantee that the Company will be able to successfully transport any or all future recovered concentrates to commercially viable markets or sell the concentrates to customers to achieve commercial returns.

(e) Mining approvals

The Company has all relevant approvals to conduct its current operations. Prior to commencement of any future new mining operations the Company will be required to ensure it obtains all relevant approvals. Where the Company is required to obtain additional approvals, there can be no assurances that those approvals will be received or that the conditions on which the approvals are given are not overly onerous. The effects of these factors cannot be accurately predicted and conditions imposed on approvals may impede the operation or development of a project and even render it uneconomic.

(f) Operating risks

The operations of the Company may be affected by various factors, including operational and technical difficulties encountered in mining and maintaining

mining productivity rates; difficulties in commissioning and operating plant and equipment; unforeseen increases in capital or operating costs; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall); delays in construction of tails dam wall lifts; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, labour and contractors, spare parts and plant and equipment. This may have an adverse effect on the operations and production ability of the Company by increasing costs or delaying activities.

(g) Gold price volatility and exchange rate risk

Any revenue the Company derives from the sale of gold or gold concentrates is exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold or gold concentrates, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors. In addition, the market for gold concentrates is different to the market for gold dore and market dynamics may mean that the prices paid for concentrates may not always move in the same way as gold prices.

Fluctuations in exchange rates between currencies in which the Company operate, invest, report, incur costs, purchase capital equipment or derive revenue may cause fluctuations in the Company's financial results that are not necessarily related to the Company's underlying operations.

(h) Title and tenure risk

Interests in mining tenements in Australia are governed by State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. While the Company (including through its wholly-owned subsidiaries, Kimba and Matilda Operations) has good title to its tenements, the Company could lose its title to or its interest in one or more of the tenements in which it has an interest if licence conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments.

The Company's mining tenements, and other tenements in which the Company may acquire an interest, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop that tenement.

The Company cannot guarantee that any tenements in which it has an interest will be renewed beyond their current expiry date, and there is a material risk that, in the event the Company is unable to renew any of its tenements beyond their current expiry date, all or part of the Company's interests in the corresponding projects may be relinquished.

(i) Geotechnical risk

Geotechnical risks arise from the movement of the ground during and following mining activity. This may result in temporary or permanent access to a mine being cut off. The loss of access may have a significant impact on the economics of the ore body or delay the delivery of ore to the processing plant. Additionally, significant additional costs may result from designing and constructing alternative access drives which will also impact the economics of the mining operation, potentially making the mine uneconomic.

Assessment of the extent and magnitude of ground movements that could take place or that have taken place within the mine and surrounding area will be

evaluated by the Company.

(j) Access risk - Native title and Aboriginal and historical heritage

It is possible that significant or sacred Aboriginal and historical sites found within tenements held by the Company now, and obtained in the future, may preclude exploration and mining activities and the Company may also experience delays with respect to obtaining permission from the traditional owners and other stakeholders to explore for and extract resources.

The Company must comply with Aboriginal heritage legislation, requirements and access agreements which require heritage survey work to be undertaken ahead of the commencement of mining operations. It is possible that tenements may not be available for exploration or mining due to Aboriginal heritage issues (whether in respect of registered sites or not).

Under Western Australian and Commonwealth legislation, the Company may need to obtain the consent of the traditional owners or holders of interests in applicable tenements before commencing activities on affected areas of the tenements. These consents may be delayed or given on conditions which are not satisfactory to the Company.

(k) Environmental risks

The operations and proposed activities of the Company are subject to Australian environmental laws and regulations. It is the Company's intention to conduct its activities consistent with its environmental obligations, including compliance with all environmental laws and regulations. The ability of the Company to operate, develop and explore projects may be delayed and limited by environmental considerations and significant costs may result from complying with the Company's environmental obligations.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company recognises management's best estimate for assets' retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the best estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

(l) Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party; or the insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or the insolvency or other managerial failure by any of the other service providers used by the Company for any activities. The Company may not be able to meet forecast production, or to complete planned exploration, appraisal and development programmes if there is a failure of these parties.

(m) Access to infrastructure

The operations of the Company have existing installed infrastructure. Production will require the use of that infrastructure. A disruption could have an adverse effect on the Company.

(n) Future capital requirements

Whilst the Offer is expected to position the Company well, the Company may require further financing for exploration and development of its existing projects, and may require further funding for the future expansion plans the subject of feasibility studies currently being planned, in addition to amounts raised under the Offer. Any additional equity financing that the Company may undertake in the future may dilute existing shareholdings.

The Company intends to raise debt financing to support its planned Stage 1 Development, however the Company's ability to do so may or may not be realised and, if realised, may involve restrictions on financing and operating activities. If additional debt finance is not available to the Company, this is likely to have an adverse effect on the Company's ability to achieve its strategic goals, including the Stage 1 Development, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares.

There can be no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such financing will be acceptable to the Company. This may have an adverse effect on the Company's ability to achieve its strategic goals, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares.

(o) Default Risk

The Company has secured financing facilities including a loan and working capital facility, which represent the Company's only remaining material debt obligations and are secured against the Group's assets. The Company's other interest-bearing liabilities are immaterial and relate to equipment financing leases.

Part of the funds raised under the Offer will be allocated to repaying the Company's secured financing facilities.

The Company's loan and working capital facilities are secured against the Group's assets pursuant to a general security deed and mining tenement mortgages.

If the Company is unable to repay its secured debts, it will default in its obligations under these agreements. The Company would then be at risk of default proceedings.

The Company's wholly owned subsidiaries have mining tenement mortgages and other security arrangements in favour of Franco-Nevada to secure future royalty obligations owed to Franco-Nevada. If those entities are unable to pay Franco-Nevada, or if they otherwise default in their obligations under the relevant documents with Franco-Nevada, the Company will be at risk of Franco-Nevada seeking to commence default proceedings and enforcing its rights under those relevant documents.

(p) Going concern risk

As disclosed in the 31 December 2020 financial statements, the Group had net current assets of \$9m, positive net cash inflows from operating activities of \$1m for the half year, and had net assets of \$172m.

Despite the narrow headroom in the net current asset position (which continues to improve on prior periods), the Directors believe that the going concern basis of preparation of the financial report remains appropriate, after consideration of the following supporting factors:

- The Group's mining operation has generated positive operating cash flows since the Group's capital restructure in early 2018, and the Group has forecasted to continue to achieve positive cash flows from its current operations which will generate sufficient cash inflows to meet the repayment of trade debts and other liabilities when they become due and payable; and,
- the Company has further flexibility of drawing on a further \$40m, subject to Mercuria's credit approval to further advance the Stage 1 Development¹. This transaction is not critical to maintain the going concern assumption, however it furthers the Company's ability to complete the transition to sulphide gold concentrate.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

¹ Refer to the ASX release dated 14 August 2020.

(q) Key personnel

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including subcontractors.

The Company's inability to recruit additional appropriately skilled and qualified personnel to replace these key personnel could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.

(r) Litigation

The Company may be subject to litigation and other claims with its suppliers. Such claims are usually dealt with and resolved in the normal course, but should any claims not be resolved any dispute or litigation in relation to this or any other matter in which the Company may in the future become involved could result in significant disruption, potential liability and additional expenditure.

(s) Customer and off-take risk

The Company expects to generate revenue from the sale of concentrates to customers under off-take and other agreements. There is potential that the Company's chosen offtake customers may default on their contractual obligations and the Company does not receive payments for the sale of its concentrates, particularly if a customer becomes insolvent or fails to provide payment in accordance with its obligations.

(t) Insurance and uninsured risks

The Company's operations are subject to a number of risks and hazards, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or potentially others, delays in mining, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the

Company.

5.3 General Risks

(a) Share price fluctuations

The New Shares are to be quoted on ASX, where the price may rise or fall relative to the price at which New Shares are offered under the Offer. The New Shares issued or sold under this Offer Document carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on ASX. The value of the New Shares will be determined by the share market and will be subject to a range of factors, many or all of which may be beyond the control of the Company and the management team.

(b) Liquidity risk

There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. Equity capital market conditions in Australia for mining and exploration companies are currently in a parlous state. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the Shares.

(c) Economic factors

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals of the Company's target markets or its cost structure and profitability. Adverse changes in the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending, and employment rates, are outside the control of the Company and the management team and may have an adverse effect on the financial performance and/or financial position of the Company.

(d) Changes in laws and government policy

Changes to government regulations, law (including taxation and royalties) and policies, both domestically and internationally, under which the Company operates may adversely impact the Company's activities, planned projects and the financial performance of the Company. The Western Australian State government proposed an increase to gold royalty rates. Whilst the increase was not implemented, there is a risk that royalty rates may increase in the future which would impact the Company's profit margins. Other countries may in the future change laws or regulations that may inhibit the Company's ability to export gold concentrates to those countries and if so the Company's ability to market and sell its gold concentrates may be adversely affected.

(e) Taxation

There may be tax implications arising from applications for New Shares, the receipt of dividends (both franked and unfranked) (if any) from the Company, the participation in any on-market Share buy-back and on the disposal of New Shares.

(f) Global credit and investment markets

Global credit, commodity and investment markets volatility may impact the price at which the Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(g) Counterparty risk

There is a risk that contracts and other arrangements within which the Company is party to and obtains a benefit from, will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations.

(h) Force majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including epidemics (such as the novel coronavirus), labour unrest, machinery or equipment breakdown or damage, transportation disruptions, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes or quarantine restrictions.

(i) Climate change

There are a number of climate-related factors that may affect the Company's business or its assets, including the its tenements. For instance:

- (i) climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its tenements and/or on the Company's ability to transport or sell mineral commodities; and
- (ii) changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets (including its tenements), or may result in less favourable pricing for mineral commodities, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(j) COVID-19

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders. The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment and may cause delays or cost increases. The directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain

5.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically

referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

6. DEFINED TERMS

\$ or A\$ means an Australian dollar.

Additional Shares means those New Shares not issued under the Offer.

Applicant refers to a person who submits an Entitlement and Acceptance Form or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

Approved Foreign Jurisdictions means United Kingdom, Switzerland, Germany, Luxembourg, Canada (British Columbia, Ontario and Quebec) and the United States of America.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 3.4 or such other date as may be determined by the Directors.

Company means Wiluna Mining Corporation Limited (ACN 119 887 606).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia, New Zealand or an Approved Foreign Jurisdiction.

Entitlement means the entitlement to subscribe for one (1) New Share for every four (4) Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or Rights Issue means the pro rata non-renounceable offer of New Shares at an issue price of \$1.00 each on the basis of one (1) New Share for every four (4) Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Opening Date means the opening date set out in Section 3.4 of this Offer Document.

Record Date means the record date set out in Section 3.4 of this Offer Document.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means the Shares not applied under the Offer.

Shortfall Application Form means the shortfall application attached to or accompanying this Offer Document.

Shortfall Shares means those New Shares issued pursuant to the Shortfall.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.5 of this Offer Document.

ANNEXURE 1 – PRO- FORMA STATEMENT OF FINANCIAL POSITION

	<i>Reviewed</i> Balance Sheet as at 31 December 2020	<i>Unaudited</i> Changes since 31 December 2020	<i>Unaudited</i> Entitlement Issue	<i>Unaudited</i> Debt Funding	<i>Unaudited</i> Pro Forma Balance Sheet
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Current assets					
Cash and cash equivalents	10,966	401	30,091	38,852	80,310
Gold bullion awaiting settlement	52	(1)	-	-	51
Trade and other receivables	2,790	239	-	-	3,029
Inventories	32,703	(597)	-	-	32,106
Financial assets	5,237	2,566	-	-	7,803
Total current assets	51,748	2,608	30,091	38,852	123,299
Non-current assets					
Other receivables	573	83	-	-	656
Right of use assets	6,359	(480)	-	-	5,879
Plant and equipment	64,750	3,169	-	-	67,919
Mine properties – areas in production	80,395	(4,227)	-	-	76,168
Mine properties – areas in development	24,792	5,328	-	-	30,120
Exploration and evaluation expenditure	21,350	5,007	-	-	26,357
Total non-current assets	198,219	8,880	-	-	207,099
Total assets	249,967	11,488	30,091	38,852	330,398
Current liabilities					
Trade and other payables	26,248	3,543	-	-	29,791
Provisions	1,959	(141)	-	-	1,818
Interest-bearing liabilities	10,930	(3,153)	-	9,714	17,491
Lease liability	3,551	(404)	-	-	3,147
Total current liabilities	42,688	(155)	-	9,714	52,247
Non-current liabilities					
Interest-bearing liabilities	749	22	-	29,138	29,909
Provisions	31,072	(94)	-	-	30,978
Lease liability	3,401	(144)	-	-	3,257
Total non-current liabilities	35,222	(216)	-	29,138	64,144
Total liabilities	77,910	(371)	-	38,852	116,391
Net assets	172,057	11,859	30,091	-	214,007
Equity					
Issued capital	258,500	9,334	30,091	-	297,925
Reserves	6,581	-	-	-	6,581
Accumulated losses	(93,024)	2,525	-	-	(90,499)
Total equity	172,057	11,859	30,091	-	214,007

Refer to section 3.11 for notes to the Pro-Forma Balance Sheet.