

ASX Announcement

9 April 2021
ASX: WMX



WILUNA MINING ENTERS INTO TEN YEAR POWER CONTRACT EXTENSION WITH THE CONTRACT POWER GROUP

HIGHLIGHTS

- Wiluna Mining and the Contract Power Group have formally agreed to extend their existing contract by ten years until 2031 at the Wiluna Mining Operation
- The 10-year contract extension has been negotiated to:
 - Meet the forward needs of the Stage 1 Sulphide Project, providing a total rated power output of the Power Station of 14.1 MW
 - Re-configure the power station to increase gas generation and add a 2.0 MW Battery Energy Storage Unit which is expected to reduce the overall diesel usage of the mine
 - Allow amortisation of costs over a longer period and therefore reducing Wiluna's overall operating power charges
 - Provide a solid base for a future mixed renewables Power Station envisaged for the Stage 2 Development Plan in 2023
- The agreement extension reduces Wiluna's need for back up diesel, reduces overall power costs and provides solid base for a future mixed renewable power station for Stage 2 Development Plan

Wiluna Mining Corporation Limited ("Wiluna", "WMX" or "the Company") (ASX WMX) is delighted to announce that it has entered to a ten-year extension to their existing power contract with Contract Power Group ("CPG") at the Wiluna Mining Operation.

The 10-year contract extension, which will now exist until at least 2031, has been negotiated to:

- Meet the forward needs of the Stage 1 Development Project, to provide a total rated power output of the Power Station of 14.1 MW.
- Re-configures the power station to increase gas generation and add a 2.0 MW Battery Energy Storage Unit which significantly reduces the need for back up diesel generation (4 diesel generators are being removed).
- Allow amortisation of costs over a longer period and therefore reduces Wiluna's overall operating power charges; and
- Provides a solid base for a future mixed renewables Power Station envisaged for the Stage 2 Development Project expansion in 2023.

CPG has provided Wiluna's power since June 2016. Our alliance with CPG has delivered economic and reliable power to Wiluna Mining over this period. The electrical power generated for Wiluna Mining is derived from natural gas with diesel backup.

Contract Power Group are experts in efficient generation of electrical power and in decarbonisation by harnessing off-grid wind or solar power. Wiluna are refining its plans with CPG to include decarbonisation within our methods of power generation at site. This may also moderate our exposure to future volatility in the cost of hydrocarbon fuels.

The reconfiguration provides a solid base for several power sources, including renewable energy as envisaged for the Stage 2 Development Plan during 2023.

Wiluna will now focus on renewable power studies and options during 2021 and 2022 to:

- assess the right mix of renewables including solar, wind or pumped storage options;
- determine how best to integrate renewables into the total power delivery for an expanded operation; and
- optimise the decarbonisation of power generation with reliability and cost effectiveness.

Our work with CPG aligns with two of the United Nations Sustainable Development Goals as well as their common themes in mining for affordable and clean energy that includes the replacement of diesel generators and diversification of power sources, such as renewable energy. Wiluna keeps an open mind on collaboration or leverage with our stakeholders on local energy initiatives. Together with CPG we will improve our energy efficiency which is fundamental to Climate Action.

Milan Jerkovic, Wiluna Mining's Executive Chair commented:

"We are excited by company efforts to strengthen its operations by generating electrical power with greater efficiency. Our operational energy efficiency and renewable sources of power is consistent with initiatives worldwide and across the mining industry. There will also be a longer-term preference for the development of mines with lower emission intensities for greenhouse gases. Wiluna Mining plans are consistent with these trends."

"We look forward to working with Contract Power to not only transitioning the Wiluna Mine once again into one of Australia's biggest and most profitable gold mines, but to helping it become one of Australia's cleanest mines".

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

For further information on Wiluna Mining please contact:

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About Wiluna Mining

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

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



BOARD OF DIRECTORS

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

CORPORATE INFORMATION

126.2 M Ordinary Shares
2.7M Unquoted Options/ZEPO's

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