PHASE 2 DRILLING HAS COMMENCED AT MULGA TANK

HIGHLIGHTS

- **Phase 2 diamond drilling program at the Mulga Tank Ni-Cu-PGE Project is now underway**
- **Minimum six holes for a total of 4,000-5,000m planned to test follow-up targets including two co-funded EIS deep holes**
- **Ongoing news flow from drilling until end of March 2023 with 3-4 week break over New Year**
- **Recent mineralogical work confirms abundant high-tenor disseminated pentlandite in hole MTD020 with minimal pyrrhotite and pyrite observed**
- **Further evidence for an extensive "live" magmatic nickel sulphide mineral system**
- **Supports recent nickel assay by four acid versus aqua regia digest test work which suggests high percentage of nickel in sulphide form versus silicate nickel**

Western Mines Group Ltd (WMG or Company) (**ASX:WMG**) is pleased to update shareholders on the commencement of the Company's Phase 2 diamond drilling program at the flagship Mulga Tank Ni-Cu-PGE Project, on the Minigwal Greenstone Belt, in Western Australia's Eastern Goldfields.

Numerous exciting follow-up targets have been identified, along with two deep co-funded EIS holes (*ASX, WMG Wins $220,000 EIS Award to Drill Mulga Tank, 17 October 2022*), that will be tested with a minimum six-hole 4,000-5,000m diamond drilling program. The drilling is expected to take until the end of March-early April 2023 with a 3-4 week break over Christmas-New Year.

Further technical work, including mineralogical section analysis, has recently been completed on drill core from the first program. This work confirms the abundance of high-tenor disseminated pentlandite (up to 38% Ni recorded by Scanning Electron Microscope (SEM)) in samples from hole MTD020, with minimal pyrrhotite and pyrite observed. This supports the near identical nickel assay results by four acid versus aqua regia digest suggesting a high percentage of nickel in sulphide form versus silicate nickel (*ASX, MTD020 Assays Confirm Extensive Working Mineral System, 7 November 2022*). This has very positive implications for the potential of an extensive working mineral system for Type 2 Mt Keith-style disseminated nickel sulphide mineralisation.

The mineralogical section work also confirmed high-tenor pentlandite and millerite in the sulphide veining seen in holes MTD012, MTD013 and MTD016, supporting the conclusion that these are likely remobilised from a nearby massive sulphide source. Again offering positive implications for the potential for Type 1 Perseverance-style massive nickel sulphide mineralisation at the project.

Commenting on the Phase 2 drilling, WMG Managing Director Dr Caedmon Marriott said:

> *"Our Phase 2 diamond drilling program commenced a few days earlier than expected at the end of last week - reflecting how keen the guys were to get out and get cracking! Great work by Bluespec and the WMG team. There's some exciting holes planned, along with the deep EIS holes, which should hopefully generate a tremendous amount of further knowledge of the Mulga Tank system.*
>
> *Technical Director Dr Ben Grguric has helped complete some very interesting thin section work which confirms abundant pentlandite through-out the system - both as disseminated interstitial blebs in hole MTD020 and in remobilised veins. We're growing in confidence when talking about an extensive working nickel sulphide mineral system throughout the Mulga Tank Ultramafic Complex. "*

MULGA TANK PHASE 2 DIAMOND DRILLING PROGRAM

WMG has designed a six-hole diamond drilling program, totalling 4,000-5,000m, to test a number of follow-up targets based on the results of the first drilling program (*ASX, First Assay Results Confirm Ni-Cu-PGE Mineralisation, 15 August 2022; Further Ni-Cu-PGE Assay Results from Mulga Tank, 2 September 2022; Mulga Tank DHEM Identifies Multiple Offhole Targets, 13 October 2022; MTD020 Assays Confirm Extensive Working Mineral System, 7 November 2022*) and the Company's ongoing exploration targeting work. This program includes two deep exploration holes that will be drilled using WMG's successful Round 26 Exploration Incentive Scheme (EIS) grant of up to $220,000 towards 50% of the direct drilling costs.

Figure 1: Bluespec drill rig on site at hole MTP022

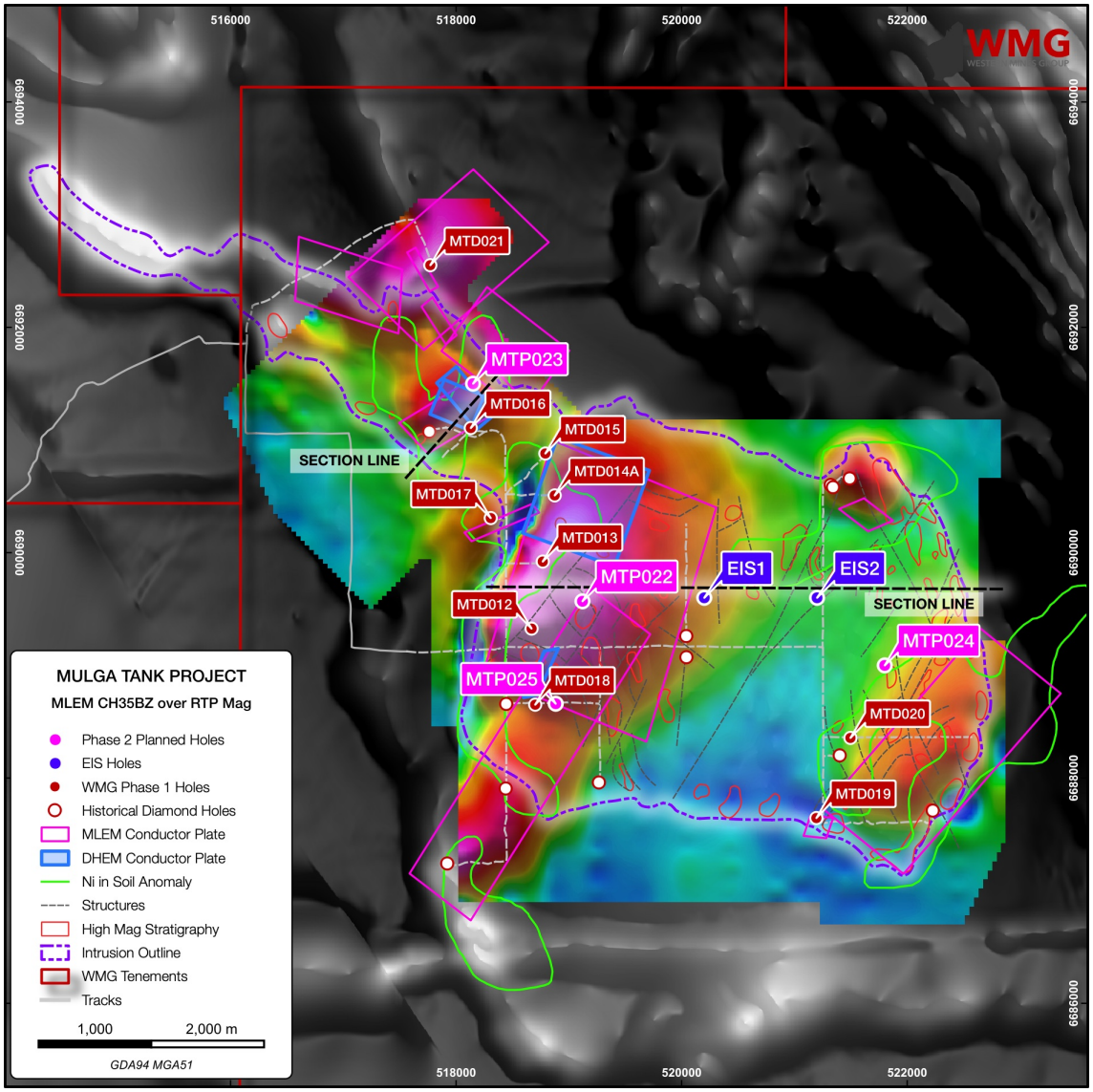

Figure 2: WMG's Planned Phase 2 Diamond Drill Holes

HoleID	Target	Description
MTP022	EM/Geology	Testing centre of the *W Conductor* at depth between MTD012 and MTD013 which both showed remobilised nickel sulphide veining
MTP023	EM/Geology	Testing *Panhandle* offhole conductor (~4,000-7,000S) between MTD006 and MTD016 which both showed remobilised nickel sulphide veining
MTP024	Geology	Follow-up on hole MTD020 which showed extensive disseminated nickel sulphide mineralisation
MTP025	EM	Testing MTD018 strong offhole conductor (~5,000-15,000S) shoot-like anomaly
EIS1	Geology/EM	EIS deep hole testing base of the *W Conductor* and centre of the complex
EIS2	Geology/Gravity	EIS deep hole testing major gravity high and centre of the complex

Table 1: Descriptions of Phase 2 Drill Targets

The Phase 2 drilling program as now commenced at hole MTP022 and is expected to last until the end of March-early April 2023, with a 3-4 week break over Christmas-New Year. Each hole will vary in time taken to drill dependent on depth but the Company intends to update shareholders on significant news flow as the program progresses.

The targets and drill holes selected (Table 1) are based on a combination of geophysical modelling of recent DownHole Electromagnetic (DHEM) results and previous Moving Loop Electromagnetic (MLEM) results along with geological interpretation of the complex and geochemical vectoring work.

HOLES MTP022, EIS1 AND EIS2

Hole MTP022 is designed to test the centre of the *W Conductor* MLEM anomaly (~2,000-3,000S) at depth between Phase 1 holes MTD012 and MTD013. Holes MTD012 and MTD013 showed multiple occurrences of visible nickel sulphide veins (*ASX, Two Zone of Visible Nickel Sulphides in Hole MTD012, 4 May 2022; Multiple Zones of Visible Nickel Sulphides in Hole MTD013, 16 May 2022*) that were confirmed by geochemical assay (*ASX, Further Ni-Cu-PGE Assay Results from Mulga Tank, 2 September 2022*) and recent mineralogical thin section work (see below).

Unfortunately holes MTD012 and MTD013 were not able to be cased for DHEM during the first phase of drilling (*ASX, Mulga Tank DHEM Identifies Multiple Offhole Targets, 13 October 2022*) and so hole MTP022 will both test the *W Conductor* anomaly as a potential source of the remobilised massive nickel sulphide and also allow DHEM surveying of this area of the intrusion.

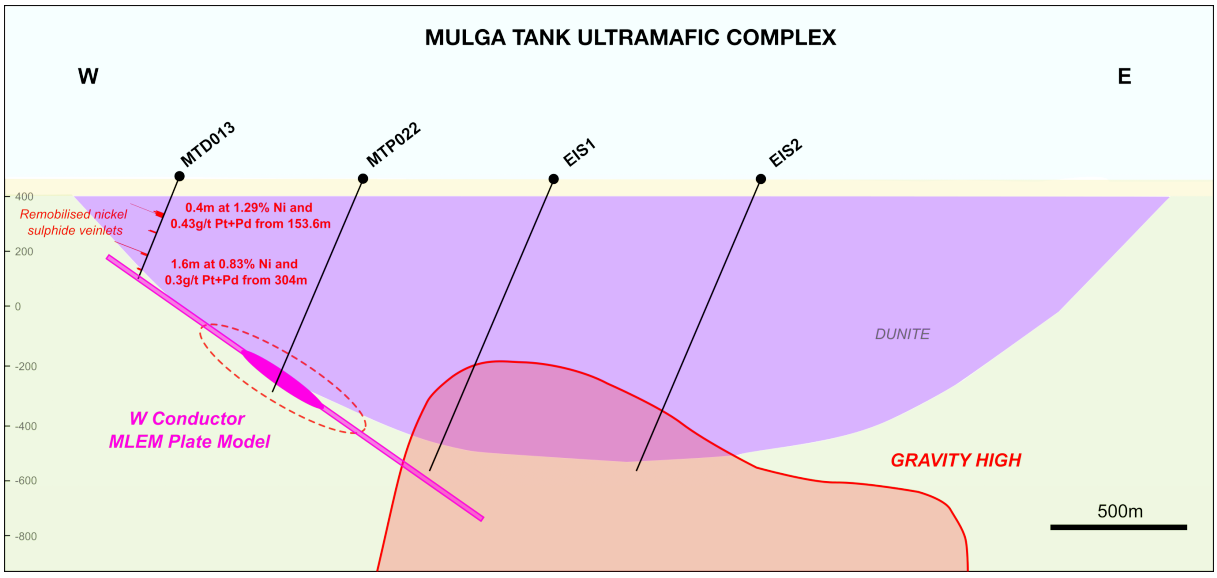

Figure 3: Cross Section through the centre of the Mulga Tank Ultramafic Complex

The deep EIS holes EIS1 and EIS2 will be the first holes to truely test the centre of the Mulga Tank dunite and will be the deepest ever drilled at the project. The aim of the drilling is to capture and characterise a complete cross-section of the intrusion. EIS1 will test the base of the *W Conductor* and the centre of the complex whilst EIS2 will test a significant gravity high at the base of the intrusion, that may represent the feeder system for the whole complex.

The EIS holes will unlock knowledge of the architecture of the intrusion to help focus future exploration work, and will attempt to use innovative exploration techniques to vector towards nickel sulphide mineralisation.

HOLE MTP023

Hole MTP023 is designed to test the *Panhandle* offhole conductor at the base of the *Panhandle* komatiite channel extending northwest from the main Mulga Tank complex. This conductor was identified from the DHEM survey of hole MTD016 (*ASX, Mulga Tank DHEM Identifies Multiple Offhole Targets, 13 October 2022*) and is modelled as a discrete moderate to high conductance target (~4,000-7,000S) at the inferred base of the channel that is permissive of massive or matrix sulphide mineralisation.

Multiple remobilised nickel sulphide veins were seen in hole MTD016 (*ASX, Mulga Tank Drilling Update, 23 June 2022*), confirmed by geochemical assay (*ASX, First Assay Results Confirm Ni-Cu-PGE Mineralisation, 15 August 2022*) and recent mineralogical thin section work (see below).

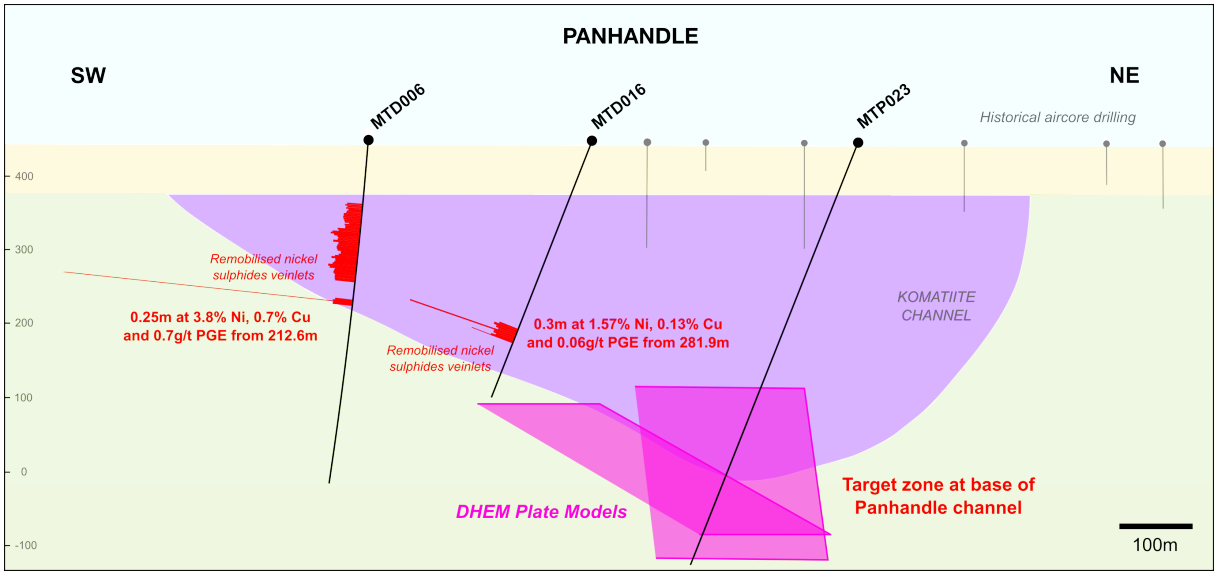

Figure 4: Cross section of the *Panhandle* between holes MTD006 and MTD016

HOLE MTP024

Hole MTP024 is designed to test the southeastern portion of the main Mulga Tank complex and follow up on the area around hole MTD020.

MTD020 was drilled to a total depth of 564.4m and was itself designed to test beneath historical hole MTD011 - hole MTD011 showed multiple indications of nickel sulphide mineralisation including of 1m at 1.95% Ni and 0.21g/t Pt+Pd from 103m, 1m at 0.83% Ni and 0.18g/t Pt+Pd from 114m and 0.5m at 1.18% Ni and 0.1g/t Pt+Pd from 211.7m.

The hole encountered a ~450m thick sequence of high MgO (average 45% MgO) adcumulate to extreme accumulate dunite with two styles of visible nickel mineralisation observed down the hole including remobilised nickel sulphide veins (pentlandite-pyrrhotite) and disseminated magmatic sulphides.

Disseminated sulphides (trace to 5% sulphide) occurred over in excess of 300m from 120 to 512m. Towards the base of dunite unit these disseminated sulphides coalesced into interstitial blebs (3-5% sulphide) between the olivine grains of the dunite (*ASX, Disseminated Sulphides Seen Over >300m in Hole MTD020, 26 July 2022*). Recent mineralogical thin section work has confirm the disseminated sulphides to be abundant pentlandite blebs, with very minimal pyrrhotite or pyrite (further discussion below).

HOLE MTP025

Hole MTP025 is designed to test a strong anomaly identified from the DHEM survey of Phase 1 hole MTD018 (*ASX, Mulga Tank DHEM Identifies Multiple Offhole Targets, 13 October 2022*). This high conductance (~5,000-15,000S) offhole anomaly was not previously identified during the ground based MLEM survey. Modelling the geometry of the conductor plate reveals a shoot-like feature dipping 45-55° SSE-SE - the discrete size and geometry of feature indicates it is likely not stratigraphic.

MINERALOGICAL INVESTIGATION WORK

WMG has recently completed mineralogical thin section work to help characterise the rock types and sulphide species observed during the Phase 1 drilling program. This work has been led by the Company's Technical Director Dr Ben Grguric. Samples of core were collected and prepared from holes MTD012, MTD013, MTD016 and MTD020.

HOLE MTD020

As previously discussed hole MTD020 encountered in excess of 300m of visible disseminated sulphide mineralisation from 120m to 512m downhole. Four samples of core were taken and prepared for polished section from a range of depths down the hole (156.1m, 349.7m, 367.45m and 510.7m) with descriptions given in Table 2 below.

Overall, the sulphide component of the MTD020 samples examined from the primary zone is dominated by relatively coarse pentlandite blebs suggesting a high tenor assemblage (confirmed by subsequent SEM analysis with Ni up to 38%) which would likely yield a high-grade nickel concentrate.

HoleID	Depth	Description
MTD020	156.1m	Blebby sulphides show strong supergene weathering overprint and now consist of porous secondary violarite (2viol) which has replaced pentlandite, and secondary pyrite (2py) which has replaced pyrrhotite. The pyrite can also be seen to partially replace magnetite which was intimately intergrown with the magmatic sulphides.
MTD020	349.7m	Essentially pure pentlandite blebs with no associated magnetite in a matrix of probable fine-grained serpentine (+brucite). Also present are glassy probably relict olivine, and divergent aggregates of platy crystals which could be anthophyllite.
MTD020	367.45m	Essentially pure pentlandite blebs with no associated magnetite in a matrix of probable fine-grained serpentine (+brucite) and brown tochilinite. Also present are glassy probably relict olivine, and divergent aggregates of platy crystals which could be anthophyllite. Some pentlandite blebs contain fine worm-like inclusion of mackinawite, typically seen in amphibolite-facies mineralisation.
MTD020	510.7m	Blebs consist of pentlandite, intergrown with networks of coarse magnetite and locally some magmatic chromite crystals (with magnetite rims). Locally some pyrrhotite was observed in the blebs.

Table 2: Polished section descriptions for hole MTD020

Figure 5: Photos of core from hole MTD020 showing disseminated sulphides that coalesce into interstitial blebs between olivine grains

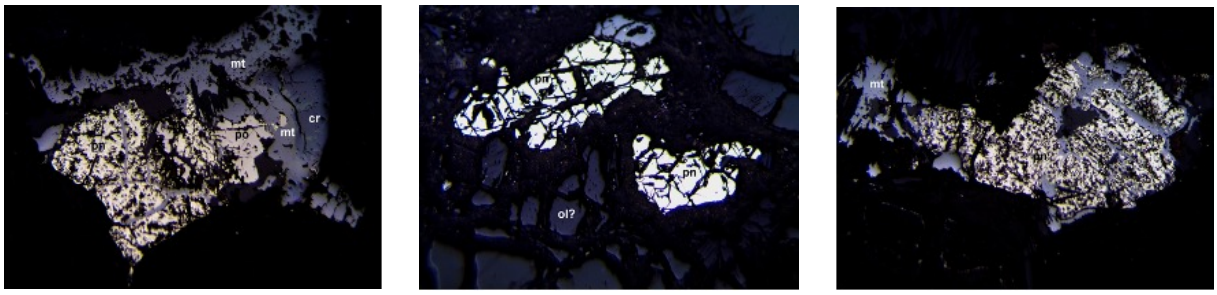

Figure 6: Photos of polished sections from hole MTD020 showing disseminated pentlandite blebs (*photo width 1.2mm*)

The observation of abundant coarse pentlandite, with minimal amounts of other sulphide species, such as pyrrhotite and pyrite, is positive for the potential of the Mulga Tank complex to host an extensive working mineral system for Type 2 Mt Keith-style disseminated nickel sulphide mineralisation.

Best individual element results of up to 0.68% Ni, 0.036% Cu, 0.027% Co and 224ppb Pt+Pd were seen down the hole, with a continuous intersection of 175m at 0.27% Ni, 0.010% Cu, 0.015% Co and 21ppb Pt+Pd from 341m that averaged 0.49% S (*ASX, MTD020 Assays Confirm Extensive Working Mineral System, 7 November 2022*).

A comparison of nickel assay results by four acid versus aqua regia was undertaken for 220 samples from 310m to 530m down the hole. Four acid is considered a near total digestion technique that breaks down most silicate and oxide minerals whereas aqua regia is considered a partial digestion technique that does not dissolve silicate minerals but does dissolve soluble sulphide minerals.

The results from the two techniques showed a high correlation and near identical values for nickel (Figure 7). The results suggest a high percentage of nickel in sulphide form versus silicate nickel. This conclusion is validated by the mineralogical work and the observation of coarse, high tenor, pentlandite blebs dominating the sulphide assemblage.

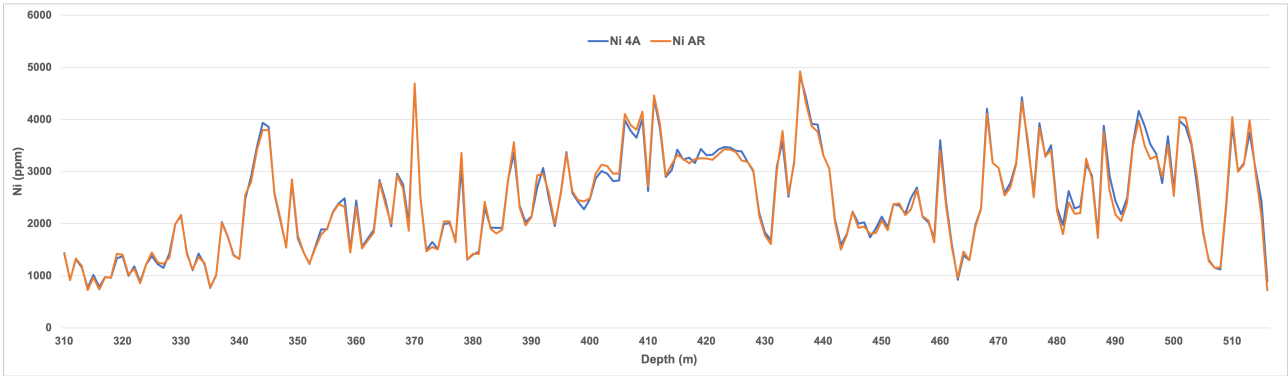

Figure 7: MTD020 Ni results by four acid (4A) and aqua regia (AR) digest for a continuous intersection from 310m to base of ultramafic

HOLES MTD012, MTD013 AND MTD016

Samples of core were taken from examples of sulphide veinlets found in holes MTD012, MTD013 and MTD016 and prepared for thin section; with descriptions given in Table 3 below.

The thin sections show the sulphide component of the veinlets to be predominantly high tenor pentlandite with secondary hydrothermal nickel sulphide species millerite and violarite (all confirmed by SEM analysis). Various metamorphic minerals observed in the thin sections suggest the Mulga Tank Ultramafic Complex has likely undergone lower amphibolite facies metamorphism.

HoleID	Depth	Description
MTD012	385.8m	Coarse sulphide segregation, assumed remobilised. Consists of pentlandite partially replaced by hypogene millerite in worm-like to fracture-controlled bodies. No evidence of significant surface weathering overprint. High tenor assemblage.
MTD013	153.8m	Coarse sulphide segregation, assumed remobilised. Consists of pentlandite and millerite with overprint of weathering resulting in fracture/cleavage-controlled incipient replacement of pentlandite by secondary violarite and millerite by polydymite. High tenor assemblage.
MTD016	282.1mm	Coarse sulphide segregation, assumed remobilised. Consists of pentlandite and millerite (the latter cleavage-controlled replacement) with overprint of weathering resulting in fracture/cleavage-controlled incipient replacement of pentlandite by secondary violarite. High tenor assemblage.

Table 3: Thin section descriptions for holes MTD012, MTD013 and MTD016

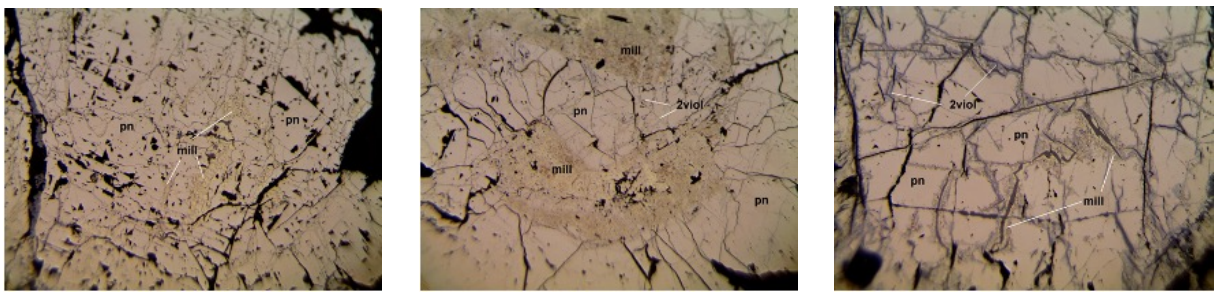

Figure 8: Photos of thin sections from holes MTD012 (left), MTD013 (centre) and MTD016 (right) showing coarse nickel sulphide assemblage
(*photo width 1.2mm*)

These results support the conclusion that the high tenor nickel sulphide veinlets are likely remobilised from a massive sulphide source, with the sulphides migrating along faults and fractures. This offers positive implications for the potential for Type 1 Perseverance-style massive nickel sulphide mineralisation at the project; and in multiple locations given the range of areas where these veinlets are seen across the complex.

WMG is greatly encouraged by the results of the exploration work to date and the potential of the Mulga Tank Ultramafic Complex to host multiple nickel sulphide deposits. The Company looks forward to the results of the Phase 2 drilling program and will update shareholders on significant news flow as the program progresses.

For further information please contact:

Dr Caedmon Marriott
Managing Director
Tel: +61 475 116 798
Email: contact@westernmines.com.au

This announcement has been authorised for release to the ASX by Dr Caedmon Marriott, Managing Director

Western Mines Group Ltd
ACN 640 738 834
Level 3, 33 Ord Street
West Perth
WA 6005

Board

Rex Turkington
Non-Executive Chairman

Dr Caedmon Marriott
Managing Director

Francesco Cannavo
Non-Executive Director

Dr Benjamin Grguric
Technical Director

Capital Structure

Shares: 49.05m
Options: 21.85m
Share Price: $0.128
Market Cap: $6.25m
Cash (22/11/22): $2.73m

Follow us

@westernmines
westernmines
Western Mines Group

ABOUT WMG

Western Mines Group Ltd (ASX:WMG) is a mineral exploration company driven by the goal to create significant investment returns for our shareholders through exploration and discovery of high-value gold and nickel sulphide deposits across a portfolio of highly-prospective projects located on major mineral belts of Western Australia.

Our flagship project and current primary focus is the Mulga Tank Ni-Cu-PGE Project, a major dunite intrusive found on the under-explored Minigwal Greenstone Belt. Previous work shows significant evidence for a working sulphide mineral system and is considered highly prospective for Ni-Cu-PGE mineralisation.

The Company's primary gold project is Jasper Hill, where WMG has strategically consolidated a 3km mineralised gold trend with walk-up drill targets. WMG has a diversified portfolio of other projects including Melita (Au, Cu-Pb-Zn), midway between Kookynie and Leonora in the heart of the WA Goldfields; Youanmi (Au), Pavarotti (Ni-Cu-PGE), Rock of Ages (Au), Broken Hill Bore (Au) and Pinyalling (Au, Cu, Li).

COMPETENT PERSONS STATEMENT

The information in this announcement that relates to Exploration Results and other technical information complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Dr Caedmon Marriott, Managing Director of Western Mines Group Ltd. Caedmon is a Member of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Caedmon consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

DISCLAIMER

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which WMG operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside WMG's control.

WMG does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of WMG, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.