WILUNA MINING

(SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ANNUAL REPORT

30 JUNE 2022

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DEED ADMINISTRATORS – APPOINTED VOLUNTARY ADMINISTRATORS IN JULY 2022 & DEED ADMINISTRATORS IN JULY 2023

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COMPANY SECRETARY

Dan Travers

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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WEST PERTH WA 6005
www.wilunamining.com.au

SHARE REGISTRY

Link Market Services Limited
Level 12, 250 St Georges Terrace
PERTH WA 6000
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SECURITIES EXCHANGE LISTING

Australian Securities Exchange
Code: WMC

ABN

Number: 18 119 887 606

SECURITIES ON ISSUE AT 30 JUNE 2022

Ordinary shares:	354,461,735
Listed options:	153,821,790
Unlisted options:	720,000
Zero Exercise Price Options ("ZEPOs"):	2,913,809*

* *ZEPOs balances are sourced from the share registry's records. Wiluna will be revisiting the terms and conditions of these ZEPOs, which have been issued under long term incentives agreements, to determine eligibility of staff to retain these options.*

AUDITOR

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

BANKERS

Commonwealth Bank
95 William Street
PERTH WA 6000

SENIOR DEBT PROVIDER

Mercuria Energy Trading
12 Marina View #26-01 Asia Square Tower 2
SINGAPORE 018961

CORPORATE GOVERNANCE STATEMENT

Located at: https://wilunamining.com.au/wp-content/uploads/2021/10/WMC-Corp-Gov.pdf

Mineral Resources and Ore Reserves Statement

Mineral Resources

Wiluna Mining Corporation Limited (Subject to a Deed of Company Arrangement) released an updated JORC Mineral Resource estimate on the 29th August 2023. Reference should be made to the announcement relating to the updated Mineral Resources including the JORC Table 1 Appendices for detailed information relating to the estimate. The resources have now been depleted as of the 30th September 2023 to enable inclusion within the 2022 Annual Report.
Since the release of the updated Mineral Resources as announced on the 29th August 2023 the company has mined tailings and stockpiles at the Wiluna project.

The 2023 Mining One Mineral Resource model was therefore created using low grade (<2 ppm Au) and high grade domains (>2 ppm Au) throughout the entire Wiluna Central Mine area deposit. These domains were constructed in Leapfrog software. The new Mineral Resource estimate used Ordinary Kriging for the gold grade estimation and inverse distance and regression equations for the deleterious elements.

Open pit Mineral Resources were reported within a $3,250 AUD/oz reasonable prospect for economic extraction (RPEE) pit shell and underground Mineral Resources were reported below this pit. Cut-off grades range between 0.35 ppm and 2.3 ppm Au due to recovery factors of oxide, transition and fresh material in addition to economic factors relating to open pit an underground mining scenarios.

Mining One have not re-estimated the satellite deposits, stockpiles and tailings deposits, these are included as reported by Wiluna Mining Corporation in the 17th November 2021 ASX announcement1 however have been depleted as of 30th September 2023. The 2023 Open Pit and Underground Mineral Resources estimated by Mining One Consultants in addition to the satellite deposit, depleted stockpile and tailings Mineral Resources reported in 2021 are summarized in the following table and image below.

Comparison to the 2021 Mineral Resources

The 2023 updated Mineral Resources represent a 16% increase in total ounces compared to the Mineral Resources reported at the 17th November 2021.

WILUNA CENTRAL MINE AREA MINERAL RESOURCE COMPARISON			
	2023 Mineral Resources	2021 Mineral Resources	Variance
Tonnes (Mt)	44.95	35.99	+24.9%
Au ppm	3.69	3.90	-5.4%
Au Oz (Moz)	5.23	4.51	+16%

Competent Persons Statement

The information in the report to which this statement is attached that relates to Mineral Resources of the Wiluna Central Mine area is based on information compiled or reviewed by Mr Stuart Hutchin, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG). Stuart Hutchin is a fulltime employee of Mining One Consultants and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Results, Mineral Resources and Ore Reserves'. Stuart Hutchin consents to the inclusion in this announcement of statements based on this information in the form and context in which it appears.

Where the company refers to Mineral Resources in this report it confirms that it is not aware of any new information or data that would materially effect the reported Mineral Resources and that all assumptions and technical parameters underpinning the estimates have not materially changed. The company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the previous announcement. Where the company refers to Mineral Resources in this report it confirms that it is not aware of any new information or data that would materially effect the reported Mineral Resources and that all assumptions and technical parameters underpinning the estimates have not materially changed. The company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the previous announcement.

Table 1: Wiluna Mining Corporation Total Mineral Resources as of 30 September 2023

Wiluna Mining Corporation Mineral Resource Summary as of 30th Sep 2023												
Mining Centre	MINERAL RESOURCES											
	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
AUGUST 2023 MINING ONE MINERAL RESOURCES – WILUNA CENTRAL MINE AREA												
Wiluna – Open Pit	0.13	2.45	11	12.16	2.15	839	4.04	2.35	305	**16.33**	**2.20**	**1,156**
Wiluna – UG	1.70	4.97	272	4.99	4.73	760	21.58	4.41	3,059	**28.27**	**4.50**	**4,083**
SUB TOTAL	**1.83**	**4.35**	**283**	**17.15**	**2.90**	**1,719**	**25.62**	**4.09**	**3,364**	**44.60**	**3.69**	**5,239**

Table 2: Wiluna Mining Corporation Satellite Deposits November 2021

Wiluna Mining Corporation Mineral Satellite Deposit Resource Summary as at 21st November 2021												
Mining Centre	MINERAL RESOURCES											
	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
NOVEMBER 2021 WMC REPORTED MINERAL RESOURCES – SATELLITE DEPOSITS												
Matilda	0.03	2.18	2	1.24	1.72	68	0.88	2.71	76	**2.14**	**2.13**	**147**
Lake Way	0.27	1.73	15	0.68	2.27	50	2.11	1.56	106	**3.06**	**1.74**	**171**
Galaxy	0.01	1.87	1	0.03	2.24	2	0.11	3.35	12	**0.15**	**3.02**	**15**
SUB TOTAL	**0.31**	**1.78**	**18**	**1.95**	**1.92**	**120**	**3.10**	**1.95**	**194**	**5.35**	**1.93**	**333**

Table 3: Wiluna Mining Corporation Depleted Stockpile and Tailings Resources Sep 30th 2023

Wiluna Mining Corporation Mineral Resource Summary as of 30th Sept 2023												
Mining Centre	MINERAL RESOURCES											
	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
DEPLETED NOVEMBER 2021 WMC MINERAL RESOURCES -TAILINGS & STOCKPILES												
Tailings	-	-	-	33.0	0.57	605	-	-	-	**33.0**	**0.57**	**605**
Stockpiles	-	-	-	3.03	0.50	49	-	-	-	**3.03**	**0.50**	**49**
SUB TOTAL	**-**	**-**	**-**	**36.2**	**0.57**	**654**	**-**	**-**	**-**	**34.1**	**0.57**	**654**

Notes:

1. Tonnes are reported as million tonnes (Mt) and rounded to three significant figures; gold (Au) ounces are reported as thousands rounded to the nearest 1,000.
2. Data is rounded to reflect appropriate precision in the estimate which may result in apparent summation differences between tonnes, grade, and contained metal content.
3. Mineral Resource at each Mining Centre in (Table 1 only) reported at cut-offs related to material type inside A$3,250 optimised pit shells (> 0.35 g/t for oxide and transitional material, and >0.70 g/t for fresh rock), and >2.3 g/t below the pit shells.
4. Resource update work completed by Mining One Consultants was only completed over the Wiluna Central Mine area. The satellite deposits, stockpiles and tailings Mineral Resources are reported as released by Wiluna Mining Corporation in the 21 November 2021 ASX announcement[1] (https://wcsecure.weblink.com.au/pdf/WMC/02453149.pdf)
5. The stockpile and tailings Mineral Resources have been depleted by 1,147kt since the November 2021 statement.

Ore Reserves

Updated reserves are currently being prepared and is anticipated to be available before the end of the calendar year.

Deed Administrators' Report

On 20 July 2022, Michael Ryan, Kathryn Warwick, Daniel Woodhouse and Ian Francis of FTI Consulting were appointed as Joint and Several Voluntary Administrators (**Administrators**) of Wiluna Mining Corporation Limited (Subject to Deed of Company Arrangement) and its controlled entities (together **Wiluna** or **the Group**). Since this appointment, the Administrators have had control of the Group's business, property and affairs. On 28 July 2023, a Deed of Company Arrangement (**DOCA**) was executed and the Administrators were appointed as Joint and Several Deed Administrators (**Deed Administrators**) of the Group.

Accordingly, this report (which takes the place of the Directors' report), together with the financial statements of the consolidated entity, for the year ended 30 June 2022 are presented by the Deed Administrators pursuant their powers under the DOCA.

DIRECTORS

The names of Directors who held office during or since the end of the financial year are as follows:

Rowan Johnston
Non-Executive Interim Chairman

Mr Johnston is a highly experienced Mining Executive with over 40 years' experience as a mining engineer. He is a graduate of Western Australian School of Mines and has worked on a number of different projects in several different jurisdictions, with particularly experience in the gold sector. Mr Johnston brings a track record of successful project development and turnaround success. Mr Johnston also brings significant Corporate and Board/NonExecutive Director experience in the mining sector and is currently a Non-Executive Director of Gascoyne Resources Ltd and Bardoc Gold Ltd.

- Appointed: 10 December 2021
- Committee memberships: Nil
- Other listed board memberships: Spartan Resources Ltd, PNX Metals Ltd and Kin Mining NL.
- Previous listed board memberships: Bardoc Gold Ltd, Excelsior Gold Ltd, Mutiny Gold Ltd and Integra Mining Ltd.
- Interest in shares at the date of this report: Nil
- Interest in options at the date of this report: Nil

Hansjoerg Plaggemars **(DIPLOM KAUFMANN)**
Non-Executive Director

Mr Plaggemars is an experienced Company Director highly skilled in corporate finance, corporate strategy, European and North American Capital markets, and governance. He has qualifications in Business Administration and has served on several Boards both on the ASX and in Europe. Mr Plaggemars is a USA citizen and is based in Germany.

- Appointed: 21 July 2021
- Committee memberships: Audit & Risk
- Other listed board memberships: 2invest AG, Ming Le Sports AG, Decheng Technology AG i.I., Spartan Resources Ltd, PNX Metals Limited, 4basebio UK Societas, Altech Chemicals Limited, Azure Minerals Limited, KIN Mining NL, Neon Equity AG NL, Altech Advanced Materials AG, Geopacific Resources Ltd
- Previous listed board memberships: CARUS AG, Enapter AG, KlickOwn AG, MARNA Beteiligungen AG, 4basebio AG, Biofrontera AG, The Grounds Real Estate Development AG, South Harz Potash Limited,
- Interest in shares at the date of this report: Nil
- Interest in options at the date of this report: Nil

Colin Jones **(BSc)**
Non-Executive Director

Mr Jones is a highly experienced Mining Executive with almost 40 years' experience as a mining, exploration and consulting geologist. He has experience in several different geological environments and has worked in a number of countries on producing mines, as part of feasibility teams and as an explorationist. He has acted as Independent Engineer on behalf of major international resource financing institutions and banks and as Technical Adviser to private equity resource funds in Australia and Canada.

- Appointed: 21 July 2021
- Committee memberships: Remuneration & Nomination
- Other listed board memberships: Newrange Gold, Eurotin Inc
- Previous listed board memberships: Geodrill Limited
- Interest in shares at the date of this report: Nil
- Interest in options at the date of this report: Nil

Milan Jerkovic **(B.App.Sc (Geol), GDip (Mining), GDip (Mineral Economics), FAusIMM MAICD)**
Executive Chair

Mr Jerkovic is a geologist with over 35 years' experience in the mining industry including resource evaluation, operations, financing, acquisition, project development and general management. Mr Jerkovic is also principal of the Xavier Group. He was previously the CEO of Straits Resources Limited, has held positions with WMC, BHP, Nord Pacific, Hargraves, Tritton and Straits Asia and was the founding chair of Straits Asia Resources.

- Appointed: 27 November 2015
- Resigned: 6 July 2022
- Committee memberships: Nil
- Other listed board memberships: Nil
- Previous listed board memberships: Geopacific Resources Limited, Metals X Limited
- Interest in shares at the date of this report: Not applicable as no longer a director
- Interest in options at the date of this report: Not applicable as no longer a director

Greg Fitzgerald **(BBus, CA)**
Non-executive Director (Lead Independent Director)

Mr Fitzgerald is a Chartered Accountant with more than 30 years' of gold mining and resources related experience. He has extensive executive experience in managing finance and administrative matters for listed companies including holding the positions of Chief Financial Officer and Company Secretary for an ASX 200 gold mining company for more than 15 years.

- Appointed: 19 February 2018
- Resigned: 21 April 2022
- Committee memberships: Audit & Risk (Chair), Remuneration & Nomination (Chair)
- Other listed board memberships: Nil
- Previous listed board memberships: Nil for the last three years
- Interest in shares at the date of this report: Not applicable as no longer a director
- Interest in options at the date of this report: Not applicable as no longer a director

Anthony James **(BENG, AWASM, FAUSIMM)**
Non-executive Director

Mr James is a mining engineer with considerable operational, new project development and corporate experience including roles as Managing Director of Carbine Resources Ltd, Atherton Resources Ltd and Mutiny Gold Ltd. At Atherton Resources, Mr James achieved a favourable outcome for shareholders following the takeover by Auctus Minerals. At Mutiny Gold, Mr James led the implementation of a revised development strategy for the Deflector copper-gold deposit in Western Australia that resulted in the successful merger of Mutiny Gold and Doray Minerals Ltd.

Prior to this, Mr James held a number of senior executive positions with international gold producer Alacer Gold Corporation following the merger of Anatolia Minerals and Avoca Resources in 2011. As the Chief Operations Officer of Avoca Resources, he played a key role in Avoca's initial growth and success, leading the feasibility, development and operations of the Trident Underground Mine and the Higginsville Gold Operations.

- Appointed: 22 June 2018
- Resigned: 31 July 2021
- Committee memberships: Audit & Risk, Remuneration & Nomination
- Other listed board memberships: Galena Mining Limited, Medallion Metals Limited
- Previous listed board memberships: Carbine Resources Limited, Apollo Consolidated Limited
- Interest in shares at the date of this report: Not applicable as no longer a director
- Interest in options at the date of this report: Not applicable as no longer a director

Sara Kelly **(LLB, BCOMM)**
Non-executive Director

Ms Kelly has significant transactional and industry experience having worked in private practice, as a corporate advisor, and as in-house counsel. Ms Kelly regularly acts for ASX listed companies and their directors and officers in relation to capital raisings, recapitalisations of ASX shells, asset acquisitions and disposals, Corporations Act and Listing Rules compliance, corporate reconstructions and insolvency, director's duties, meeting procedure, as well as general corporate and commercial advice.

Ms Kelly is a Partner at Edwards Mac Scovell, a boutique litigation, insolvency and corporate firm based in Perth, Western Australia.

- Appointed: 22 May 2020
- Resigned: 31 October 2021
- Committee memberships: Audit & Risk, Remuneration & Nomination
- Other listed board memberships: Midas Minerals Limited
- Previous listed board memberships: Blue Mountain Energy
- Interest in shares at the date of this report: Not applicable as no longer a director
- Interest in options at the date of this report: Not applicable as no longer a director

Neil Meadows **(B.APP.SC (METALLURGY), M.APP.SC (METALLURGY), GDIP (BUS ADMIN), MAUSIMM, DIP AICD)**
Operations Director

Mr Meadows is a metallurgist with over 30 years experience in the mining and processing industries. Prior to joining Wiluna Mining, he worked as Chief Operating Officer for European Metals Holdings Limited. Mr Meadows' previous roles include COO of Karara Mining Ltd, Managing Director of IMX Resources Ltd, COO of Queensland Nickel Pty Ltd, and General Manager of Murrin Murrin Operations for Minara Resources Ltd.

- Appointed: 1 December 2019 (previously the Company's General Manager of Major Projects and Business Improvement, until appointment to the Board)
- Resigned: 1 October 2021
- Committee memberships: Nil
- Other listed board memberships: Nil
- Previous listed board memberships: Nil for the last three years
- Interest in shares at the date of this report: Not applicable as no longer a director
- Interest in options at the date of this report: Not applicable as no longer a director

Lisa Mitchell **(FCPA (AUST))**
Non-Executive Director

Ms Mitchell has significant experience as a CFO, Company Secretary and Executive Director of several Australian and London listed companies (across ASX, LSE and AIM bourses). Ms Mitchell's strengths include financial management, leadership, debt and equity raising capabilities, LSE compliance and M&A. She has significant experience with the LSE (having worked for former FTSE 250 Ophir Energy plc) and will bring valuable experience to Wiluna Mining's upcoming LSE listing. Ms Mitchell was born and raised in Melbourne and has resided in the United Kingdom for the past 10 years.

- Appointed: 1 October 2021
- Resigned: 9 May 2022
- Committee memberships: Nil
- Other listed board memberships: Nil
- Previous listed board memberships: NIl
- Interest in shares at the date of this report: Not applicable as no longer a director
- Interest in options at the date of this report: Not applicable as no longer a director

Daniel Travers **(BSC (HONS), FCCA)**
Company Secretary - appointed 3 May 2019

Mr Travers is a Fellow of the Association of Chartered Certified Accountants with over 10 years' experience in the administration and accounting of publicly listed companies following significant public practice experience. Mr Travers holds undergraduate degrees with honours in both Mathematics and Accounting and is an employee of Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities in the mining and exploration industry.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:

- production of gold from the Wiluna Gold Operation; and
- gold exploration and development.

REVIEW AND RESULTS OF OPERATIONS

For the year ended 30 June 2022 (**FY22**), the Group generated a net loss after tax of A$276.1m (2021: $20.4m profit), which includes an impairment charge of $234.3m (comprising $195.3m against mine properties, $37.6m against plant and equipment and $1.4m against exploration and evaluation expenditure) and treasury losses of $31.2m (comprising an unrealised loss on forward contracts of $26.7m and FX losses of $4.5m). The gross loss from operations was A$14.2m (2021: $20.6m profit), which was derived from total gold production of 41,986oz, with 26,239ozs gold produced from areas in pre-production (with the associated costs and revenue capitalised to mine development prior to the impairment charge).

At the beginning of FY22, Wiluna was in development stage seeking to implement its Stage 1 Expansion Plan with targeted gold production of 120kozpa. More specifically, Stage 1 involved completing construction and commissioning of the Concentrate Plant, implementing tailings retreatment from historical tailings dams (through development of the Wiltails Plant) and progressing underground mine development. The Group was also targeting completion of a Stage 2 Feasibility Study in the December 2021 quarter, which originally envisaged doubling production to circa 250kozpa.

The Group was funded by several capital raisings supported by international and Australian investors, which together with debt and working capital, was invested to grow and develop the mining properties. During FY22, this involved a $53m (before costs) capital raising at a placement price of $1.00 per share, which was completed in two tranches. Tranche 1 was completed on 30 November 2021 for a total of approximately $35m, and Tranche 2 was completed for a total of approximately $18m on 6 January 2022.

The capital raising funds received were used to continue to progress the Stage 1 expansion, with over $40m invested during FY22 in plant and equipment, including approximately $33m used for Capital WIP, being primarily the development of the Concentrate Plant and Wiltails Plant. The Concentrate Plant was successfully commissioned in December 2021; however the Wiltails Plant remained incomplete at end FY22 (construction completed in September 2023 and commissioning is now underway). In excess of $100m was also invested in mine properties during FY22, which included pre-production and underground development costs, and represented more than 10,000 meters of underground development achieved during the year.

Working capital during FY22 was impacted by ramp-up issues and delays in achieving Stage 1 commercial production (originally targeted for June 2022, but ultimately never achieved), underground mine production being constrained due to labour shortages caused by the COVID-19 pandemic, additional rehabilitation activity to improve mine area access, the impact of increasing cost pressures in a high inflationary environment, gold grade mined being lower than planned (i.e. underground ore reserve gold grade as of April 2022 declined by approximately 14% which materially impacted Wiluna's revenue) and trading difficulties including worldwide shipping constraints on delivering gold concentrate to off-takers.

In May 2022, Wiluna conducted a capital raising intended to address the working capital deficiency and to facilitate completion of Stage 1, including the Wiltails Plant. As set out in the prospectus filed with the ASX in May 2022, the Group sought to raise a minimum of $50m and up to approximately $85m (before costs). However, insufficient funds were raised to adequately address the working capital issues, with only approximately $50m received under the raising which included approximately $16.8m of supplier debt-to-equity conversion. As at 30 June 2022, Wiluna had a working capital deficiency of $76.4m (being current assets minus current liabilities and assuming the Mercuria debt all became current).

Although Wiluna investigated options to address the working capital and cashflow shortfall, through obtaining funding and financial accommodation from creditors and shareholders, it became apparent those options would not successfully address the cashflow shortfall in the time available. Shortly after the end of FY22, the Directors of Wiluna Mining Corporation Limited and its subsidiaries resolved on 20 July 2022 to appoint Michael Ryan, Kathryn Warwick, Daniel Woodhouse and Ian Francis as Voluntary Administrators.

Recognising the existence of impairment triggers as at 30 June 2022, the Group has performed an impairment test to assess the recoverable amount of the Wiluna Gold Mine against the carrying values of its mine properties and plant & equipment. The outcome of this testing determined that an impairment charge of approximately $233.0 million was appropriate to record against these assets. An additional $1.3m charge was recorded against exploration and evaluation expenditure to impair costs associated with the Scadden coal project.

Since the appointment of the Voluntary Administrators, significant work has been undertaken and significant progress made with the support of multiple key stakeholders towards stabilising Wiluna's business, refocusing its business to be cash-flow positive, restructuring Wiluna's financial obligations and providing a basis for a Capital Raising and effectuation of the DOCA so that Wiluna can be returned to the control of Directors in a sound financial position. Notwithstanding being in external administration, Wiluna has been maintaining a sufficient level of operations and has been improving its financial condition. Having achieved execution of the DOCA means that the Deed Administrators now have a certain level of confidence that Wiluna may be able to exit external administration and come under the control of Directors on a solvent basis again.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There are no likely developments of which the Deed Administrators are aware which could significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Operating and Financial Review or the Events Subsequent to Reporting Date sections of the Deed Administrators' Report.

DIVIDENDS PAID OR RECOMMENDED

No dividend is recommended for the 30 June 2022 financial year and no amount has been paid or declared by way of a dividend to the date of this report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

On 6 July 2022, Mr Milan Jerkovic resigned from the Board of Directors and his role as Executive Chairman. Mr Rowan Johnston was appointed as Interim Non-Executive Chairman. Mr Michael Monaghan and Mr Robert Ryan were also appointed as acting Chief Executive Officer and Chief Operating Officer, respectively.

On 20 July 2022, the Board of Directors resolved to appoint the Voluntary Administrators to the Group.

On 11 July 2023, the Voluntary Administrators announced the concurrent second meeting of creditors was held on 7 July 2023 and the Deed of Company Arrangement Proposal (**DOCA Proposal**) as outlined in the report to creditors dated 30 June 2023 was approved by creditors (refer to ASX Announcement dated 3 July 2023 for further information on the DOCA Proposal).

On 1 August 2023, the Voluntary Administrators announced that the Voluntary Administrators and each member of the Wiluna Mining Group executed the DOCA on 28 July 2023 in accordance with the indicative terms of the DOCA Proposal as approved by creditors of the Wiluna Mining Group (refer to the ASX Announcements dated 3 July 2023 and 11 July 2023 for further information on the DOCA Proposal).

Because of the execution of the DOCA, each member of the Wiluna Mining Group is no longer in Voluntary Administration and are now subject to the DOCA on and from 28 July 2023. Michael Ryan, Kathryn Warwick, Daniel Woodhouse and Ian Francis have been appointed as the Deed Administrators of the DOCA. The Deed Administrators will continue to manage Wiluna's business and operations while progressing the conditions precedent to the effectuation of the DOCA.

On 24 August 2023, the Deed Administrators of the Group announced the following conditions precedents to the DOCA have been satisfied following the announcement on 1 August 2023, by the execution of the agreements between the relevant members of the Wiluna Mining Group and:

- Mercuria, pursuant to which the parties agree to restructure and amend the Mercuria facility agreement;
- Deutsche Balaton Aktiengesellschaft and Byrnecut Australia Pty Ltd, for the provision of convertible loan facilities totalling A$6,666,667 to be used to build and commission carbon-in-leach tanks and associated infrastructure at the Wiluna Mine and provide Wiluna with additional working capital;
- Trafigura Pte Ltd, pursuant to which the terms of the Trafigura offtake agreement has been amended and Trafigura agrees to forbear from enforcing certain rights under its offtake agreement; and

- Osisko Bermuda Limited, pursuant to which Osisko Bermuda Limited agrees to (amongst other things) forbear from enforcing (and waive) certain rights under its gold purchase deed.

The remaining conditions precedent to the effectuation of the DOCA are:

- Wiluna issuing new shares to raise new capital in an amount determined by the Deed Administrators on or before 31 December 2024 (**Capital Raising**), and obtaining necessary regulatory relief, ASX Listing Rule waivers or member approvals (if any) to complete the Capital Raising; and
- The appointment of one or more suitably qualified and experienced directors to the boards of directors of the Wiluna Mining Group.

On 24 August 2023, the Deed Administrators of the Group give notice that Wiluna relies on the relief granted under sections 6A and 8 of the ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251 (**Instrument**) in respect of the requirements to:

- lodge its annual report for the financial year ending 30 June 2023 within 3 months after the end of the financial year under section 319 of the Corporations Act 2001 (Cth) (**Corporations Act**);
- send its annual report for the financial year ending 30 June 2023 to its shareholders within 4 months after the end of the financial year under sections 314 and 315 of the Corporations Act; and
- hold an annual general meeting (**AGM**) at least once in each calendar year and within 5 months after the end of its financial year under section 250N of the Corporations Act.

As a result of the relief granted under the Instrument, the new due date for Wiluna will be:

- to lodge and send its annual report for the financial year ending 30 June 2023, the earlier of:
  - 24 months after the day when administrators were appointed for Wiluna;
  - the day on which a director of Wiluna has the right to, or is able to, perform or exercise all or most of the management powers or functions of a director of Wiluna under the DOCA or with the consent of the Deed Administrators; or
  - the day the external administration of Wiluna ends, (**Deferral Period**); and
- to hold an AGM, within 2 months after the end of the Deferral Period.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

MEETINGS OF DIRECTORS

The number of directors' meetings held (including meetings of the Committees of the Board) and number of meetings attended by each of the directors of the Company during the financial year are:

	Director's meeting		Audit and Risk Committee		Remuneration and Nomination Committee	
Director	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
Milan Jerkovic	11	11	-	-	-	-
Neil Meadows	2	2	-	-	-	-
Greg Fitzgerald	9	9	3	3	2	2
Anthony James	1	1	-	-	1	1
Sara Kelly	3	2	1	1	2	2
Hansjoerg Plaggemars	11	9	1	1	2	2
Colin Jones	11	11	-	-	3	3
Lisa Mitchell	7	7	2	2	-	-
Rowan Johnston	8	8	1	1	-	-

ENVIRONMENTAL ISSUES

The Group is subject to significant environmental regulations under various legislation. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. Wiluna is mining multiple deposits and is planning to mine various other locations. The timing and preparation for mining each of these deposits is dependent on the reconciled performance of each and the ongoing mine evaluation and planning process. Each time a new deposit is mined, separate regulatory approvals are required and the timing of this process is continually changing in a fluid mine planning process. As a direct result of this, at any one time, the formal approval process may still be outstanding at the time mining commences, which is usual in practice.

OPTIONS

Options on issue at the date of this report*:

Expiry date	Quoted/ Unquoted	Exercise price $	Number
13/02/24	Unquoted	8.00	720,000
30/06/23	Unquoted ZEPOs	-	593,676
30/06/24	Unquoted ZEPOs	-	680,482
30/06/25	Unquoted ZEPOs	-	1,639,651
31/12/24	Quoted	0.60	153,821,790
			157,455,599

**ZEPOs balances are sourced from the share registry's records. Wiluna will be revisiting the terms and conditions of these ZEPOs, which have been issued under long term incentives agreements, to determine eligibility of staff to retain these options.*

SHARES ISSUED ON THE EXERCISE OF OPTIONS

36,463 shares of the Company were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted.

INDEMNIFYING OFFICERS AND AUDITORS

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001* every Officer, or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. No indemnification has been paid with respect to the Group's auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is attached to the Director's Report.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in the financial statements.

The Deed Administrators are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Deed Administrators are of the opinion that the services as disclosed in the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF THE AUDITOR

There are no officers of the company who are former partners of RSM Australia Partners.

ROUNDING

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Remuneration Report

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, including any director (whether executive or otherwise) of the parent company.

REMUNERATION FRAMEWORK

The Board, the Executive and Key Management Personnel are eligible to participate in the incentive arrangements of the Company. The incentive plan focuses the efforts of the executive and management team on business performance, business sustainability, business growth and long term value creation. It provides for clear 'line of sight' objectives to maximise the effectiveness of the participants' total incentive awards and facilitates the meaningful accumulation of Company securities by participants to encourage an ownership mentality which in addition to having a retentive benefit, also further aligns management interests with those of the Shareholders. The Remuneration Policy, including the incentive plan, has been tailored to increase goal congruence between Shareholders and executives. Two methods have been applied to achieve this aim, being the Operations and Growth Incentive Plan (short term) and the Value Creation Plan (long term) which is administered under the Company's Employee Option Plan (**EOP**).

REMUNERATION FRAMEWORK OVERVIEW

Category	Definition of pay category	Element	Purpose
Fixed pay	Pay which is linked to the present value or market rate of the role	Total Fixed Remuneration ('TFR')	Pay for meeting role requirements
Incentive pay	Pay for delivering the plan and growth agenda for the Group which must create value for shareholders. Incentive pay will be linked to achievement of 'line-of-sight' performance goals *It reflects 'pay for performance'*	Short Term Incentive ('STI')	Incentive for the achievement of annual objectives Incentive for the achievement of sustained business value
Reward pay	Pay for creating value for shareholders. Reward pay is linked to shareholder returns. *It reflects 'pay for results'*	Long Term Incentive ('LTI')	Reward for performance over the long term

The incentive opportunities under the Remuneration Policy contain a maximum amount of Total Incentive Opportunity ('TIO'), as shown below:

MAXIMUM TOTAL INCENTIVE OPPORTUNITY AS A PERCENTAGE OF TFR ON AN ANNUAL BASIS

Plan:	WMC Ops & Growth	WMC Value Creation	
Performance period:	**1 year (STI)**	**3 year vest (LTI)**	
Award:	**Cash**	**ZEPO's**	**TIO**
Executives	48% p.a.	20% p.a.	68% p.a.

The maximum amount of TIO would only be delivered to Directors, the Executive and/or Key Management Personnel if the highest performance levels for each of the performance hurdles are achieved. The actual value of incentives may be zero if the performance hurdles are not met.

The Total Annual Remuneration (i.e. TFR + STI + LTI) for the Key Management Personnel has been set at a level that is broadly in line with the average Total Annual Remuneration for a peer group of Australian based gold miners.

Performance Hurdles
Participation in the incentive opportunities of the Remuneration Policy is based on successful milestone achievements against the following performance hurdles:

Short Term Incentive ('STI') performance metrics *(paid in the form of a cash bonus and to ensure goal alignment, are consistent amongst all the Executive):*

Company performance (60%-80%)
- Safety measures (Total Reportable Injury Frequency Rate "TRIFR")
- Company operating cash flow
- All in sustaining cost per ounce produced
- Production target gold ounces

Individual performance (20%-40%)
- Individual specific goals and supervisory discretion

Long Term Incentive ('LTI') performance metrics *(paid in Zero Exercise Price Options ("ZEPOs") and to ensure goal alignment, are consistent amongst all the Executive):*
- Performance versus ASX Gold Index (*)
- Reserves increased
- Resources maintained

(*) – the hurdle relating to the performance versus the ASX Gold Index will see 50% of this portion of the ZEPO's vest if WMC's share price outperforms the ASX Gold Index. 100% of this portion of the ZEPOs will vest if the WMC share price outperforms the ASX Gold Index by at least 50%. The payout will increase on a straight line basis between these two points.

ZEPO's issued from 1 July 2020 will only have the performance metric of Performance versus ASX Gold Index.

Vesting conditions for LTI performance hurdles will be tested once only at the end of every 3 year measurement period.

Executive Chair Remuneration
Mr Jerkovic's employment contract was for a 3-year fixed term, beginning 1 July 2020, ending on 30 June 2023.

Mr. Jerkovic stepped down with immediate effect as Executive Chairman and resigned from the Board of Directors on 6 July 2022.

Effective 1 April 2021, the Executive Chair's remuneration was as follows:

Total Fixed Remuneration
TFR increased from $420,000pa to approximately $520,000pa.

Short Term Incentives
Up to 48% of fixed remuneration per annum for each year of the contract. Participation in the incentive opportunities of the Remuneration Policy is based on successful milestone achievements against the following Key Performance Indicators (**KPI**):

Company KPIs (60%)
- Safety measures (Total Reportable Injury Frequency Rate "TRIFR")
- Company operating cash flow
- All in sustaining cost per ounce produced
- Production target gold ounces

Individual performance (40%)
- Individual specific goals and Board's discretion

VOTING AND COMMENTS MADE AT THE COMPANY'S 2021 ANNUAL GENERAL MEETING ('AGM')

At the 2021 AGM 99.64% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

KEY MANAGEMENT PERSONNEL

The key management personnel of the Company consists of the following directors and executives:

Directors	Position
Greg Fitzgerald	Non-executive Director – resigned 21 April 2022
Anthony James	Non-executive Director - resigned 31 July 2021
Milan Jerkovic	Executive Chair – resigned 6 July 2022
Rowan Johnston	Non-executive Director – appointed 10 December 2021, Interim Non-Executive Chairman – appointed 6 July 2022
Colin Jones	Non-executive Director - appointed 21 July 2021
Sara Kelly	Non-executive Director – resigned 31 October 2021
Neil Meadows	Operations Director – resigned 1 October 2021
Lisa Mitchell	Non-executive Director – appointed 1 October 2021 and resigned 9 May 2022
Hansjoerg Plaggemars	Non-executive Director – appointed 21 July 2021

Key Management Personnel (KMP)	Position
Greg Fitzgerald	Chief Financial Officer – appointed 21 April 2022
Cain Fogarty	GM – Geology and Business Development – resigned 6 July 2023
Jim Malone	GM – Investor Relations & Communications - resigned 6 July 2023
Anthony Rechichi	Chief Financial Officer - resigned 21 April 2022

The details of the Key Management Personnel's remuneration have been set out in the following tables.

REMUNERATION STRUCTURE FOR KEY MANAGEMENT PERSONNEL

Remuneration is based on the following components approved by the Remuneration and Nomination Committee;

- base pay and non-monetary benefits
- short-term performance incentives
- long-term performance incentives
- other remuneration such as superannuation and long service leave

Table 1: Contract terms for Key Management Personnel:

Name	Title	Term of Agreement	Notice Period by Employee	Notice Period by Company	Termination benefit
Greg Fitzgerald	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Cain Fogarty	GM – Geology and Business Development	Open	3 months notice	3 months notice	n/a
Anthony James	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Milan Jerkovic	Executive Chair	Commenced 01/07/20 with a 3-year term but ended 6/07/22	3 months notice	12 months year 1 9 months year 2 6 months year 3	n/a
Colin Jones	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Sara Kelly	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Jim Malone	GM – Investor Relations & Communications	Open	3 months notice	3 months notice	n/a
Neil Meadows	Operations Director	Open	3 months notice	3 months notice	n/a
Hansjoerg Plaggemars	None-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Anthony Rechichi	Chief Financial Officer	Open	3 months notice	3 months notice	n/a

KEY MANAGEMENT PERSONNEL REMUNERATION

Table 2: Remuneration for the year ended 30 June 2022

2022	Short term				Post employment	Long term			Performance related	
	Salary & fees	STI	Non-monetary benefits*	Annual leave	Super-annuation	Long service leave	LTI	Termination payments	At risk – STI	At risk - LTI
	$	$	$	$	$	$	$		%	%
Directors										
Milan Jerkovic	459,968	-	4,188	38,338	23,568	1,076	-	-	0%	0%
Neil Meadows	320,745	-	1,059	26,734	17,676	-	-	99,219	0%	0%
Greg Fitzgerald	97,101	-	3,383	-	9,710	-	-	-	0%	0%
Anthony James	6,469	-	345	-	647	-	-	-	0%	0%
Sara Kelly	25,875	-	1,404	-	2,588	-	-	-	0%	0%
Colin Jones	124,359	-	3,958	10,363	13,568	-	-	8,601	0%	0%
Hansjoerg Plaggemars	80,532	-	3,958	-	-	-	-	-	0%	0%
Lisa Mitchell	51,545	-	2,532	-	-	-	-	-	0%	0%
Rowan Johnston	43,391	-	2,324	-	4,339	-	-	-	0%	0%
Other KMP										
Anthony Rechichi	321,508	-	4,188	26,798	23,568	17,128	-	-	0%	0%
Cain Fogarty	261,509	-	4,188	21,797	23,568	-	-	-	0%	0%
Jim Malone	246,483	-	4,188	20,540	23,568	867	-	-	0%	0%
Total	**2,039,485**	**-**	**35,715**	**144,570**	**142,800**	**19,071**	**-**	**107,820**	**0%**	**0%**

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.

Table 2: Remuneration for the year ended 30 June 2021

2021	Short term				Post employment	Long term			Performance related	
	Salary & fees	STI(ii)	Non-monetary benefits*	Annual leave	Super-annuation	Long service leave	LTI	Termination payments	At risk – STI	At risk - LTI
	$	$	$	$	$	$	$		%	%
Directors										
Greg Fitzgerald	91,324	-	-	-	8,676	-	-	-	0%	0%
Anthony James	77,626	-	-	-	7,374	-	-	-	0%	0%
Milan Jerkovic	412,198	105,654	4,188	29,373	21,694	-	55,546	-	16%	9%
Sara Kelly	77,626	-	-	-	7,374	-	-	-	0%	0%
Neil Meadows	388,306	113,481	4,188	29,234	21,694	1,634	69,000	-	18%	11%
Other KMP										
Cain Fogarty	254,429	78,500	4,188	20,194	21,694	14,519	39,680	-	18%	9%
Wayne Foote	309,800	70,841	4,050	23,868	29,350	-	-	81,963	14%	0%
Jim Malone	209,584	65,365	4,188	10,860	20,852	315	17,015	-	20%	5%
Anthony Rechichi	308,667	100,217	4,188	24,874	21,694	7,692	6,049	-	21%	1%
Total	**2,129,560**	**534,058**	**24,990**	**138,403**	**160,402**	**24,160**	**187,290**	**81,963**	**21%**	**1%**

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.

(i) The STI remuneration represents the estimated amounts to be paid in cash in September 2021 and relates to incentives offered for the 12 month period ended 30 June 2021. The STI amounts to be paid for FY21 were less than the maximum opportunity, due to under achievement in safety and production against target. The STI achieved is primarily attributable to the Company's operating cashflows, unit production costs and individual performances.

Table 4: Share holdings of key management personnel:

Name	Held at the start of the year	Issued on exercise of options	Participation in rights issue and share purchase plan(i)	Acquired on market	Disposed	Held at the end of the year
Directors						
Milan Jerkovic	1,554,201	12,500	2,266,701	-	-	3,833,402
Neil Meadows	-	-	-	-	-	-
Greg Fitzgerald	-	-	-	-	-	-
Anthony James	-	-	-	-	-	-
Sara Kelly	-	-	-	-	-	-
Colin Jones	-	-	-	-	-	-
Hansjoerg Plaggemars	-	-	-	-	-	-
Lisa Mitchell	-	-	-	-	-	-
Rowan Johnston	-	-	-	-	-	-
Other KMP						-
Cain Fogarty	110,000	-	-	-	-	110,000
Jim Malone	210,000	-	200,000	144,040	(194,520)	359,520
Anthony Rechichi	-	16,302	-	-	-	16,302
Total	**1,874,201**	**28,802**	**2,466,701**	**144,040**	**(194,520)**	**4,319,224**

(i) Shares were purchased at the offer issue prices of $1.00 per share and $0.40 per share.

Table 5: Option holdings of key management personnel*:

Name	Held at the start of the year	Granted as remuneration Number	Grant date	Fair value at grant date	Vesting conditions	Vesting Date	Expiry	Exercise price	Decrease(i)	Held at the end of the year
Directors										
Greg Fitzgerald	-	-	-	-	-	-	-	-	-	-
Anthony James	-	-	-	-	-	-	-	-	-	-
Milan Jerkovic	12,500	-	11/05/18	7.7	Reserves & resources increased	31/12/20	31/12/21	-	(12,500)	-
	12,613	-	5/07/19	1.3	Performance vs ASX Gold Index	30/06/22	30/06/23	-	-	12,613
	8,829	-	5/07/19	1.3	Reserve increase	30/06/22	30/06/23	-	-	8,829
	3,784	-	5/07/19	1.3	Resource maintained	30/06/22	30/06/23	-	-	3,784
	183,438	-	10/07/20	1.3	Performance vs ASX Gold Index	30/06/23	30/06/24	-	-	183,438
	-	50,535	18/11/21	0.9	Performance vs ASX Gold Index	30/06/24	30/06/25	-	-	50,535
Sara Kelly	-	-	-	-	-	-	-	-	-	-
Neil Meadows	79,615	-	5/07/19	1.3	Performance vs ASX Gold Index	30/06/22	30/06/23	-	-	79,615
	55,731	-	5/07/19	1.3	Reserve increase	30/06/22	30/06/23	-	-	55,731
	23,885	-	5/07/19	1.3	Resource maintained	30/06/22	30/06/23	-	-	23,885
	-	213,098	23/11/21	0.9	Performance vs ASX Gold Index	30/06/24	30/06/25	-	-	213,098
Colin Jones	-	-	-	-	-	-	-	-	-	-
Hansjoerg Plaggemars	-	-	-	-	-	-	-	-	-	-
Lisa Mitchell	-	-	-	-	-	-	-	-	-	-
Rowan Johnston	-	-	-	-	-	-	-	-	-	-
Other KMP					-					

Cain Fogarty	28,954	-	5/07/19	1.3	Performance vs ASX Gold Index	30/06/22	30/06/23	-	-	28,954
	20,268	-	5/07/19	1.3	Reserve increase	30/06/22	30/06/23	-	-	20,268
	8,686	-	5/07/19	1.3	Performance vs ASX Gold Index	30/06/22	30/06/23	-	-	8,686
	81,752	-	10/07/20	1.1	Performance vs ASX Gold Index	30/06/23	30/06/24	-	-	81,752
		65,889	2/07/21	0.9	Performance vs ASX Gold Index	30/06/24	30/06/25	-	-	65,889
Jim Malone	2,477	-	5/07/19	1.3	Performance vs ASX Gold Index	30/06/22	30/06/23	-	-	2,477
	1,734	-	5/07/19	1.3	Reserve increase	30/06/22	30/06/23	-	-	1,734
	743	-	5/07/19	1.3	Resource maintained	30/06/22	30/06/23	-	-	743
	58,394	-	10/07/20	1.1	Performance vs ASX Gold Index	30/06/23	30/06/24	-	-	58,394
Anthony Rechichi	16,302	-	11/05/18	7.7	Reserves & resources increased	31/12/20	31/12/21	-	-	16,302
	16,449	-	5/07/19	1.3	Performance vs ASX Gold Index	30/06/22	30/06/23	-	-	16,449
	11,514	-	5/07/19	1.3	Reserve increase	30/06/22	30/06/23	-	-	11,514
	4,935	-	5/07/19	1.3	Resource maintained	30/06/22	30/06/23	-	-	4,935
	99,271	-	10/07/20	1.1	Performance vs ASX Gold Index	30/06/23	30/06/24	-	-	99,271
	-	81,020	2/07/21	0.9	Performance vs ASX Gold Index	30/06/24	30/06/25	-	-	81,020
Total	**731,874**	**410,542**	**-**	**-**	-	**-**	**-**	**-**	**(12,500)**	**1,129,916**

(i) "Decrease" represents options vested, exercised, expired during the year and/or forfeited due to termination/resignation.(12,500).

* Option holding balances in the table above include ZEPOs with vesting conditions. ZEPO balances have been sourced from the share registry's records. Wiluna will be revisiting the terms and conditions of these ZEPOs, which have been issued under long term incentives agreements, to determine the eligibility of staff who have ceased employment with Wiluna to these options. Under the Plan Rules, where you become a Good Leaver, the Board may determine in its sole and absolute discretion allow some or all of the unvested ZEPOs to vest. Where the person is a Bad Leaver, all unvested ZEPOs will automatically be forfeited and lapse, subject to any determination by the Board in its sole and absolute discretion. Both Good Leaver and Bad Leaver are defined under the Plan Rules.

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

The earnings of the Group for the five years to 30 June 2022 are summarised below:

		2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Sales revenue	**($'000)**	40,263	131,467	126,562	102,466	118,252
Profit/(loss) after income tax	**($'000)**	(276,055)	20,404	14,250	(73,161)	(20,027)
Share price at 30 June	**$ per share**	0.235	0.93	1.34[i]	0.01	0.07
Basic profit/(loss) per share	**cents per share**	(143.61)	17.72	24.43[i]	(4.29)	(2.95)

(i) Note, the company performed a 100:1 share consolidation on 25 May 2020

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to key management personnel during the years ended 30 June 2022.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

	Transactions with related parties $'000	Balances outstanding $'000
Xavier Group Pty Ltd[i]	204	17
Ironbridge Capital Partners (ii)	94	-

(i) Entity related to Milan Jerkovic, Executive Chair. Mr Jerkovic is an officer and co-owner of Xavier Group Pty Ltd.

(ii) Entity related to Lisa Mitchell, Non-Executive Director. Ms Mitchell spouse is also a director and beneficiary of Ironbridge Capital Partners

All transactions were made on normal commercial terms and conditions and at market rates.

End of audited Remuneration Report.

Signed for the purposes of section compliance with 298 of the Corporations Act 2001 for an on behalf of the Deed Administrators.

Michael Ryan
Joint and Several Deed Administrator
Perth, 31 October 2023

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Wiluna Mining Corporation Limited (Subject to Deed of Company Arrangement) for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 31 October 2023

AIK KONG TING
Partner

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022 $'000	2021 $'000
Continuing operations			
Revenue from gold and silver sales	1	40,263	131,467
Cost of production relating to gold and silver sales	2	(42,087)	(80,267)
Gross (loss)/profit before depreciation and amortisation		**(1,824)**	**51,200**
Depreciation and amortisation relating to gold and silver sales	2	(12,307)	(30,577)
Gross (loss)/profit from operations		**(14,131)**	**20,623**
Other income	4	6,945	3,162
Administration expenses		3,307	(5,094)
Non-capital exploration expenditure		-	(384)
Depreciation of non-mine site assets		(41)	(95)
Share-based payments	3	-	(145)
Finance costs	3	(2,819)	(3,395)
Treasury – realised loss	5	(4,648)	(117)
Treasury – unrealised gain/(loss)	5	(26,650)	6,576
Impairment expense	3	(234,310)	-
Other expenses	3	(3,708)	(727)
(Loss)/profit before income tax expense for the year from continuing operations		**(276,055)**	**20,404**
Income tax expense	6	-	-
(Loss)/profit after income tax expense for the year from continuing operations		**(276,055)**	**20,404**
Other comprehensive income		-	**-**
Total comprehensive (loss)/profit for the year, net of tax		**(276,055)**	**20,404**

		Cents	Cents
Basic earnings per share	7	(143.61)	17.72
Diluted earnings per share	7	(143.61)	17.51

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

AS AT 30 JUNE 2022

		Consolidated	
		2022	2021
	Note	$'000	$'000
Current assets			
Cash and cash equivalents	16	17,217	54,077
Gold bullion awaiting settlement	17	56	55
Trade and other receivables	24	2,298	3,503
Inventories	25	14,476	26,118
Financial assets	19	18	2,549
Total current assets		**34,065**	**86,302**
Non-current assets			
Other receivables	24	656	656
Right of use assets	20	11,455	4,442
Plant and equipment	11	85,644	85,691
Mine properties – areas in production	12	-	72,965
Mine properties – areas in development	13	49,359	61,927
Exploration and evaluation expenditure	14	47,524	34,242
Financial assets	19	-	3,416
Total non-current assets		**194,638**	**263,339**
Total assets		**228,703**	**349,641**
Current liabilities			
Trade and other payables	26	48,166	30,289
Provisions	27	2,337	2,050
Financial liabilities	19	1,510	-
Interest-bearing liabilities	18	57,311	9,895
Lease liabilities	20	1,133	2,294
Total current liabilities		**110,457**	**44,528**
Non-current liabilities			
Interest-bearing liabilities	18	3,874	48,352
Provisions	27	46,220	34,270
Lease liabilities	20	10,486	2,339
Financial liabilities	19	18,938	-
Total non-current liabilities		**79,518**	**84,961**
Total liabilities		**189,975**	**129,489**
Net assets		**38,728**	**220,152**
Equity			
Issued capital	22	392,353	297,760
Reserves	23	6,531	6,493
Accumulated losses		(360,156)	(84,101)
Total equity		**38,728**	**220,152**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2022

	Consolidated			
	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total $'000
At 1 July 2020	**236,865**	**6,177**	**(104,505)**	**138,537**
Profit after income tax for the year	-	-	20,404	20,404
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit for the year	-	-	20,404	20,404
Transactions with owners in their capacity as owners:				
Share-based payments expense	-	316	-	316
Shares issued, net of transactions costs	60,895	-	-	60,895
At 30 June 2021	**297,760**	**6,493**	**(84,101)**	**220,152**
At 1 July 2021	**297,760**	**6,493**	**(84,101)**	**220,152**
Loss after income tax for the year	-	-	(276,055)	(276,055)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(276,055)	(276,055)
Transactions with owners in their capacity as owners:				
Share-based payments expense	-	38	-	38
Shares issued, net of transactions costs	94,593	-	-	94,593
At 30 June 2022	**392,353**	**6,531**	**(360,156)**	**38,728**

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated	
		2022	2021
	Note	$'000	$'000
Cash flows from operating activities			
Proceeds from gold and silver sales		41,468	133,299
Payments to suppliers and employees		(34,878)	(99,849)
Interest received		6,945	36
Interest paid		(2,475)	(2,422)
Other		-	2,881
Net cash flows from operating activities	16	**11,060**	**33,945**
Cash flows from investing activities			
Purchase of plant and equipment		(39,777)	(27,998)
(Loss) from sale of non-core assets, net of costs		-	(175)
Payments for geology		(18,971)	(26,133)
Payments for mine properties		(77,363)	(46,382)
Proceeds from pre-production gold sales		-	1,436
Net cash flows used in investing activities		**(136,111)**	**(99,252)**
Cash flows from financing activities			
Proceeds from issue of equities		100,556	64,218
Payment of share issue costs		(5,925)	(3,583)
Proceeds from loan, net of fees		-	75,100
Repayment of loans		(4,173)	(19,250)
Net (repayment)/proceeds from finance leases		(21)	2,047
Change in bank guarantees		-	(86)
Repayment of lease liabilities		(2,246)	(7,966)
Net cash flows from financing activities		**88,191**	**110,480**
Net (decrease)/increase in cash held		(36,860)	45,173
Cash and cash equivalents at beginning of the year		54,077	8,904
Cash and cash equivalents at end of the year		**17,217**	**54,077**

The accompanying notes form part of these financial statements

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

Basis of preparation

These consolidated financial statements and notes represent those of Wiluna Mining Corporation Limited (the 'Company' or 'Wiluna') and its controlled entities (the 'Group').

The financial statements were authorised for issue on 31 October 2023 by the Deed Administrators.

The financial report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'), International Financial Reporting Standards ('IFRS') and the *Corporations Act 2001*;
- are presented in Australian dollars, which is the Company's and Group's functional and presentation currency, with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with ASIC Instrument 2016/91;
- have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2021; and
- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2022, the Company generated a net loss after tax of A$276.1m (2021: $20.4 million profit), which includes an impairment charge of $234.3m and treasury losses of $31.2m. Gross loss from operations was A$14.2m, which was derived from total gold production of 41,986oz, with 26,239ozs gold produced from areas in pre-production (with the associated costs and revenue capitalised to mine development prior to the impairment charge).

As at balance date, Wiluna had a working capital deficit of $76.4 million (2021: $41.8 million surplus). Working capital during the year ended 30 June 2022 was impacted by ramp-up issues and delays in achieving Stage 1 commercial production (originally targeted for June 2022, but ultimately never achieved), underground mine production being constrained due to labour shortages caused by the COVID-19 pandemic, additional rehabilitation activity to improve mine area access, the impact of increasing cost pressures in a high inflationary environment, gold grade mined being lower than planned (i.e. underground ore reserve gold grade as of April 2022 declined by approximately 14% which materially impacted Wiluna's revenue) and trading difficulties including worldwide shipping constraints on delivering gold concentrate to off-takers.

On 20 July 2022 the Directors determined to place the Company and each of its wholly owned subsidiaries into voluntary administration. Michael Ryan, Kathryn Warwick, Daniel Woodhouse and Ian Francis of FTI Consulting were appointed as Joint and Several Voluntary Administrators of the Company and each of its wholly-owned subsidiaries. The Administrators determined that the best option to preserve value of the Company's assets was to continue trading the operations on a 'business as usual' basis, rather than placing the mine on care and maintenance. With the support of the Company's secured creditors, employees and key suppliers, the Administrators stabilised the business, implemented workstreams to complete mining technical work necessary to understand the potential of the mine and its operations, and initiated a dual track process to achieve either a sale of its assets or recapitalisation of the Company.

On 1 August 2022 the first meeting of creditors was held. The intention of the Administrators was to continue to operate the mine, with a view to maximising gold recovery from operations in the near term, whilst exploring opportunities for a recapitalisation or sale of Wiluna. This strategy was dependent on cash flow. The Administrators also worked with technical advisors to review the mine plan at that time and overall historical performance of the mine's operations, as the Administrators believed rectifying those issues was key to maximising a positive outcome for stakeholders.

On 30 June 2023, pursuant to their Report to Creditors, the Administrators recommended that the Company's creditors approve the DOCA as part of a broader recapitalisation and relisting plan. This recommendation came after an operational turnaround was achieved by the Company during the previous 12 months.

On 7 July 2023, at a second meeting of creditors, the Company's creditors passed a resolution approving entry into the DOCA. The purpose of the DOCA was to restructure the Company's debts and facilitate the recapitalisation of the Company. Under the DOCA, the Administrators were appointed as Deed Administrators.

The DOCA is being implemented as part of a broader strategic turnaround involving Wiluna's key stakeholders to find a long term financially sustainable solution for Wiluna. The Deed Administrators are continuing to manage Wiluna's business and operations while progressing the conditions precedent to the effectuation of the DOCA.

Effectuation under the DOCA was conditional on the following conditions precent being satisfied (or waived):

- the execution of the Creditors' Trust Deed by the Administrators and the Wiluna Mining Company. The Creditors' Trust Deed has been executed and this condition precedent has been satisfied;

- the execution of agreements between Wiluna and:

    - Mercuria, pursuant to which the parties will agree to restructure and amend the Mercuria facility agreement;
    - existing shareholders, Deutsche Balaton Aktiengesellschaft and Byrnecut Australia Pty Ltd, for the provision of convertible loan facilities totalling A$6,666,667 to be used to build and commission carbon-in-leach tanks and associated infrastructure at the Wiluna Mine and provide Wiluna with additional working capital;
    - Franco-Nevada Australia Pty Ltd, pursuant to which Franco-Nevada Australia Pty Ltd will convert some or all amounts owing to it under the royalty deeds into convertible notes and forbear from enforcing any rights under its securities;
    - Trismegist Pte Ltd, pursuant to which the terms of the Trismegist offtake agreement will be amended and Trismegist will forbear from enforcing certain rights under its offtake agreement;
    - Trafigura Pte Ltd, pursuant to which the terms of the Trafigura offtake agreement will be amended and Trafigura will forbear from enforcing certain rights under its offtake agreement; and
    - Osisko Bermuda Limited, pursuant to which Osisko Bermuda Limited will agree to (amongst other things) forbear from enforcing (and waive) certain rights under its gold purchase deed;

  On 24 August 2023, Wiluna announced each of the above agreements had been executed and this condition precedent has been satisfied;

- Wiluna issuing new shares to raise new capital in an amount determined by the Deed Administrators on or before 31 December 2024 (**Capital Raising**), and obtaining necessary regulatory relief, ASX Listing Rule waivers or member approvals (if any) to complete the Capital Raising. This condition precedent remains outstanding; and

- The appointment of one or more suitably qualified and experienced directors to the boards of directors of the Wiluna Mining Company. This condition precedent remains outstanding.

The Deed Administrators believe the ability for the Company to continue to remain as a going concern is dependent upon, amongst other factors, the following key assumptions:

- the DOCA effectuating before 31 December 2024 (i.e. completion of the remaining conditions precedent);
- the planned capital raising receiving the necessary support from equity markets;
- continued gold production from Wiluna at rates and costs generally consistent with those planned;
- the Australian dollar denominated price received for gold sold by the Company being higher than the prevailing cost of gold production at Wiluna and associated overhead costs; and
- the Company being able to service its debt facility with Mercuria and remaining in compliance with the amended facility agreement, as updated from time to time.

Based on the above, the Deed Administrators have reasonable grounds to believe that the DOCA will effectuate on or before 31 December 2024, and that the Company will be able to pay its debts as and when they become due and payable, and the Deed Administrators consider that the going concern basis of preparation to be appropriate for these financial statements.

If the Company is unable to continue as a going concern, it may be required to realise its assets and/or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

The financial report does not include adjustments to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Company not continue as a going concern.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries of the Company at the end of the reporting period. A list of controlled entities (subsidiaries) at year end is contained in note 29.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined as non-significant are not included in the financial statements. There have been no changes to the Group's accounting policies that are no longer disclosed in the financial statements.

KEY ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The judgements, estimates and assumptions material to the financial report are found in the following notes:

Note 2: Cost of goods sold
Note 12: Mine properties – areas in production
Note 13: Mine properties – areas in development
Note 14: Exploration and evaluation expenditure
Note 15: Impairment of Assets
Note 20: Right of Use Assets
Note 25: Inventories
Note 27: Provisions
Note 28: Share-based payments

THE NOTES TO THE FINANCIAL STATEMENTS

The notes include information which is required to understand the financial statements and is material and relevant to the operations and the financial position and performance of the Group.

Information is considered relevant and material if, for example:

- The amount is significant due to its size and nature;
- The amount is important for understanding the results of the Group;
- It helps to explain the impact of significant changes in the Group's business; or
- It relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

- Performance for the year;
- Production and growth assets;
- Cash, debt and capital;
- Operating assets and liabilities; and
- Other disclosures.

A brief explanation is included under each section.

Performance for the year

This section focuses on the results and performance of the Group. This covers both profitability and the return to shareholders via earnings per share combined with cash generation.

1. REVENUE FROM GOLD AND SILVER SALES

	Consolidated	
	2022 $'000	2021 $'000
Gold and silver sales		
- gold sales at spot price (i)	40,069	122,022
- loss on gold forward contracts	(121)	9,263
Total gold sales	**39,948**	**131,285**
- silver sales	315	182
Total gold and silver sales	**40,263**	**131,467**

(i) Pre-production gold sales are capitalised and are not included in sales revenue

Accounting Policies

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

GOLD SALES

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods. Control is generally considered to have passed when:

- physical possession and risk of goods are transferred;
- determination of accuracy of the metal content of the goods delivered; and
- The refiner has no practical ability to reject the goods where it is within contractually specified terms.

2. COST OF GOODS SOLD

	Consolidated	
	2022 $'000	2021 $'000
Cost of goods sold		
Costs of production	18,786	78,487
Royalties	4,909	7,539
Open pit waste removal movements	3,774	1,528
Stockpile movements	8,633	(5,193)
Gold in circuit movements	5,985	(2,094)
Sub-total cost of production	**42,087**	**80,267**
Depreciation of mine plant and equipment	6,510	9,788
Amortisation of mine properties	5,797	20,789
Sub-total depreciation and amortisation	**12,307**	**30,577**
Total cost of good solds	**54,394**	**110,844**

Accounting Policies

COSTS OF PRODUCTION

Cash costs of production include direct costs incurred for mining, processing and mine site administration, net of costs capitalised to pre-strip and production stripping assets.

ROYALTIES

Royalty expenses under existing royalty regimes are payable on sales and are therefore recognised as the sale occurs.

DEPRECIATION

Depreciation of mine specific plant and equipment and buildings and infrastructure is charged to the statement of comprehensive income on a unit-of-production basis over the mine inventory of the mine concerned (consistent with the Life of Mine plan), except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is used. The unit of account is ounces of gold produced.

Depreciation of non-mine specific plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Plant and equipment 10% to 33%
- Motor vehicles 6% to 33%
- Office furniture and equipment 6% to 50%
- Buildings and infrastructure 4%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

AMORTISATION

Mine properties are amortised on a unit-of-production basis over the mine inventory of the mine concerned (consistent with the Life of Mine plan). The unit of account is ounces of gold produced.

KEY JUDGMENTS

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each asset's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable mine plan of the mine property at which it is located. These calculations require the use of estimates and assumptions.

3. EXPENSES

	Consolidated	
	2022 $'000	**2021 $'000**
Share-based payments expense		
Employees/service providers	-	21
Directors	-	124
Share-based payments expense recognised in the statement of comprehensive income	**-**	**145**

SHARE-BASED PAYMENTS

Equity-settled share-based compensation benefits are provided to employees and consultants. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and consultants in exchange for the rendering of services under an employee share plan.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period.

		Consolidated	
	Note	**2022 $'000**	**2021 $'000**
Finance costs			
Interest		1,079	1,167
Borrowing costs		587	1,255
Unwinding on discount of rehabilitation provision	27	344	25
Interest on embedded leases		809	948
Total		**2,819**	**3,395**

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed as part of finance costs in the period incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

UNWINDING OF DISCOUNT ON PROVISIONS

The unwinding of discount on provisions represents the cost associated with the passage of time. Rehabilitation provisions are recognised at the discounted value of the present obligation to restore, dismantle and rehabilitate each mine site with the increase in the provision due to the passage of time being recognised as a finance cost in accordance with the policy described in note 27.

3. EXPENSES (CONT'D)

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Other expenses			
Loss on sale of non-core assets		3,139	675
Other		569	52
Total		**3,708**	**727**

Accounting Policies

ASSETS DISPOSAL

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

	Consolidated 2022 $'000	Consolidated 2021 $'000
Impairment expenses		
Plant and equipment	37,630	-
Exploration and evaluation expenditure	1,354	-
Mine properties – areas in production	89,820	-
Mine properties – areas in development	105,506	-
Total	**234,310**	**-**

4. OTHER INCOME

	Consolidated 2022 $'000	Consolidated 2021 $'000
Other income		
- interest revenue	40	36
- job keeper subsidy	-	2,085
- Toll treatment revenue	6,704	-
- other income	201	1,041
Total	**6,945**	**3,162**

Accounting Policies

OTHER INCOME

Interest revenue is recognised as it accrues using the effective interest rate method. Other revenue is recognised when it is received or when the right to receive payment is established.

5. TREASURY GAINS AND (LOSSES)

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Treasury – realised (loss)		
Hedge premium (paid)/income	-	(64)
Foreign exchange loss	(4,648)	(53)
Total	**(4,648)**	**(117)**
Treasury – unrealised (loss)/gain		
Unrealised (loss)/gain on forward contracts	(26,650)	6,565
Gain on financial assets	-	11
Total	**(26,650)**	**6,576**

Note: All gold forward contracts have been marked to market through profit or loss at 30 June 2022, as per note 8.

6. INCOME TAX

	Consolidated	
	2022	**2021**
	$'000	**$'000**
The components of the tax expense/(income) comprise:		
Current tax	-	-
Deferred tax	-	-
Total	-	-

(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

	2022	2021
Net loss before income tax	(276,055)	20,404
Prima facie tax on loss from ordinary activities before income tax at 30% (2021: 30%)	(82,817)	6,121
Add the tax effect of:		
Permanent differences	115	305
Effect of current year temporary differences not recognised	82,702	-
Effect of current year tax losses not recognised	-	(6,426)
Income tax expense reported in the income statement	**-**	**-**

6. INCOME TAX (CONT'D)

(b) Unrecognised deferred tax assets and (liabilities)

	Consolidated	
	2022 $'000	2021 $'000
Trade and other receivables	(33)	(62)
Financial assets and liabilities	2	(1,768)
Right of use assets	(3,436)	(1,332)
Plant and equipment	5,516	(2,807)
Geology and development expenditure	(9,889)	(10,266)
Mine properties	29,861	(30,982)
Trade and other payables	100	83
Interest-bearing liabilities	3,168	3,892
Lease liabilities	2,096	(1,737)
Provisions	14,983	10,896
Equity	(382)	25
Tax losses recognised to offset deferred tax liabilities	(41,986)	34,060
Balance at the end of the year	-	-

The Deed Administrators' have considered it prudent not to bring to account the deferred tax asset of income tax losses until it is probable of deriving assessable income of a nature and amount to enable such benefit to be realised.

(c) Tax losses

	Consolidated	
	2022 $'000	2021 $'000
The group has estimated carried forward tax losses which are available indefinitely for offset against future taxable income, subject to meeting the relevant statutory tests:		
Revenue losses		
Income tax losses	220,967	227,341
Losses used against deferred tax liabilities	-	(113,534)
Gross tax losses for which no deferred tax asset has been recognised	220,967	113,807
Tax effected at 30%	66,290	34,142
Capital losses		
Estimated capital losses for which no deferred tax asset is recognised	-	-

Accounting Policies

INCOME TAX

The income tax expense/benefit for the year comprises current income tax expense/benefit and deferred tax expense/benefit.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense/benefit reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

6. INCOME TAX (CONT'D)

Current and deferred income tax expense/benefit is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

7. EARNINGS PER SHARE

	Consolidated	
	2022 $'000	2021 $'000
(a) Loss after income tax for the year	(276,055)	20,404

	No. of Shares ('000s)	No. of Shares ('000s)
(b) Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS:	192,224	115,126
(b) Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS:	192,224	116,535

Accounting Policies

EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

8. PHYSICAL GOLD DELIVERY COMMITMENTS

Open contracts	Gold contracts 2022 Ounces	Gold contracts 2021 (i) Ounces	Contracted gold sale price 2022 $/oz	Contracted gold sale price 2021 $/oz	Value of committed sales 2022 $'000	Value of committed sales 2021 $'000	Mark-to-market(ii) 2022 $'000	Mark-to-market(ii) 2021 $'000
Within one year								
- Fixed forward contracts	50,000	23,500	2,642	2,459	132,100	57,782	(1,510)	2,530
Between one and two years								
- Fixed forward contracts	51,000	47,000	2,642	2,421	134,742	113,799	(4,876)	2,584
Between two and five years								
- Fixed forward contracts	76,500	92,000	2,635	2,421	201,578	222,756	(14,062)	832
	177,500	**162,500**			**468,420**	**394,337**	**(20,448)**	**5,946**

(i) 159,000 oz of the contracted ounces are denominated in USD and are priced at US$1,820/oz.

(ii) Mark-to-market represents the value of the open contracts at balance date, calculated with reference to the gold spot price at that date. A negative amount reflects a valuation in the counterparty's favour.

Accounting Policies

GOLD FORWARD CONTRACTS

As part of the risk management policy, the Group enters into gold forward contracts to manage the gold price of a proportion of anticipated gold sales. The counterparty of the gold forward contracts is Mercuria Energy Trading Pte Ltd.

9. OPERATING SEGMENT INFORMATION

The Group has one reportable segment which is gold production for the years ended 30 June 2022 and 30 June 2021. The Chief Operating Decision Maker (**CODM**) as at 30- June 2022 was the Board of Directors and the Executives. As at the date of this report, this function is performed by the Deed Administrators. There is currently one operating segment identified, being the operating of the of the Matilda-Wiluna Gold Operation based on internal reports reviewed by the CODM in assessing performance and allocation of resources.

Accounting Policies

OPERATING SEGMENTS

Operating segments are presented using the "management approach", where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

10. DIVIDENDS PAID OR PROVIDED FOR

There were no dividends paid or provided for during the year (2021: Nil).

Accounting Policies

DIVIDENDS

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Production and growth assets

Included in this section is relevant information about recognition, measurement, depreciation, amortisation and impairment considerations of the core producing and growth (exploration and evaluation) assets of the Group.

11. PLANT AND EQUIPMENT

	Consolidated						
	Plant & Equipment $'000	Motor Vehicles $'000	Furniture & Equipment $'000	Buildings & Infrastructure $'000	Tails Dam $'000	Capital WIP $'000	Total $'000
Net carrying amount at 1 July 2021	**26,833**	**2,768**	**1,036**	**7,695**	**25,180**	**22,179**	**85,691**
Additions	2,710	4,167	218	1,635	-	33,274	42,004
Depreciation expense	(1,344)	(952)	(424)	(586)	(1,025)	-	(4,331)
Transfers between classes	1,319	79	-	46	-	(1,444)	-
Transfers to mine properties	-	-	-	-	-	(33)	(33)
Impairment	-	-	-	-	(24,155)	(13,475)	(37,630)
Disposals	-	(57)	-	-	-	-	(57)
Net carrying amount at 30 June 2022	**29,518**	**6,005**	**830**	**8,790**	**-**	**40,501**	**85,644**
At 30 June 2022							
Cost	51,436	7,952	2,841	14,202	30,927	53,976	161,334
Accumulated depreciation and impairment	(21,918)	(1,947)	(2,011)	(5,412)	(30,927)	(13,475)	(75,690)
Net carrying amount	**29,518**	**6,005**	**830**	**8,790**	**-**	**40,501**	**85,644**
Net carrying amount at 1 July 2020	**25,920**	**606**	**617**	**6,907**	**9,185**	**20,348**	**63,583**
Additions	2,877	2,358	480	332	(220)	22,179	28,006
Depreciation expense	(2,829)	(306)	(563)	(542)	(1,030)	-	(5,270)
Transfers between classes	865	110	502	998	17,245	(19,719)	1
Transfers to mine properties	-	-	-	-	-	(629)	(629)
Other							
Disposals							-
Net carrying amount at 30 June 2021	**26,833**	**2,768**	**1,036**	**7,695**	**25,180**	**22,179**	**85,691**
At 30 June 2021							
Cost	47,100	3,776	2,623	12,521	30,927	22,179	119,126
Accumulated depreciation and impairment	(20,267)	(1,008)	(1,587)	(4,826)	(5,747)	-	(33,435)
Net carrying amount	**26,833**	**2,768**	**1,036**	**7,695**	**25,180**	**22,179**	**85,691**

11. PLANT AND EQUIPMENT (CONT'D)

PLANT AND EQUIPMENT SECURED UNDER FINANCE LEASES

Refer to note 18 for further information on plant and equipment secured under finance leases.

Accounting Policies

PLANT AND EQUIPMENT

Plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Gains and losses on disposals of plant and equipment are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

12. MINE PROPERTIES – AREAS IN PRODUCTION

		Consolidated		
		Mine Properties	Stripping Activity Asset	Total
2022	**Note**	**$'000**	**$'000**	**$'000**
Balance at 1 July		72,965	-	72,965
Transferred to mine properties – areas in development	13	11,162	-	11,162
Impaired during the year		(89,820)	-	(89,820)
Rehabilitation provision adjustment	27	11,490	-	11,490
Amortisation charged to costs of production	2	(5,797)	-	(5,797)
Balance at 30 June		**-**	**-**	**-**

		Consolidated		
		Mine Properties	Stripping Activity Asset	Total
2021	**Note**	**$'000**	**$'000**	**$'000**
		72,965	**-**	**72,965**
Balance at 1 July		90,114	1,528	91,642
Transferred to mine properties – areas in development	13	(8,224)	-	(8,224)
Transferred from exploration and evaluation expenditure	14	4,481	-	4,481
Additions		4,570	-	4,570
Rehabilitation provision adjustment	27	2,813	-	2,813
Amortisation charged to costs of production	2	-	(1,528)	(1,528)
Amortisation during production	2	(20,789)	-	(20,789)
Balance at 30 June		**72,965**	**-**	**72,965**

Accounting Policies

MINE PROPERTIES – AREAS IN PRODUCTION

Mine development expenditure incurred by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure.

12. MINE PROPERTIES – AREAS IN PRODUCTION (CONT'D)

A development property is reclassified as a mining property in this category at the end of the commissioning phase, when the property is capable of operating in the manner intended by management.

Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortisation charge proportional to the estimated mine inventory (consistent with the Life of Mine plan). Development properties are tested for impairment in accordance with the policy on impairment of assets.

Stripping activity asset

Once access to the ore is attained, all waste that is removed from that point forward is considered production stripping activity. The amount of production stripping costs deferred is based on the extent to which the current strip ratio of ore mined exceeds the life of mine strip ratio of the identified component. A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is identified based on the mine plan.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of the ore body. The production stripping asset is then carried at cost less accumulated amortisation and any impairment losses.

The production stripping asset is amortised over the expected useful life of the identified component (determined based on economically recoverable mine plan), on a unit-of-production basis. The unit of account is tonnes of ore mined.

KEY JUDGMENTS

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each asset's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable mine plan of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Determination of mineral resources, ore reserves and mine plan

The determination of mineral resources and ore reserves impacts the accounting for asset carrying values. The Group estimates its mineral resources and ore reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the **JORC Code**). The information on mineral resources and ore reserves was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and the mine plan and may ultimately result in reserves and mine plan being restated.

Stripping asset

The Group capitalises stripping costs incurred during the development and production phase of mining. As a result, the Group distinguishes between the production stripping that relates to the extraction of inventory and that which relates to the stripping asset.

The Group has identified its production stripping for each surface mining operation it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Judgement is required to identify and define these components, and also to determine the expected volumes of waste to be stripped and ore to be mined in each of these identified components.

These assessments are undertaken for each individual identified component based on life of mine strip ratio. Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each identified component. Changes in the expected strip ratio is accounted for prospectively from the date of change.

13. MINE PROPERTIES – AREAS IN DEVELOPMENT

		Consolidated	
	Note	2022 $'000	2021 $'000
Balance at 1 July		61,927	4,677
Pre-production expenditure capitalised, net of gold sales		104,100	45,781
Transferred from/(to) mine properties – areas in production	12	(11,162)	8,224
Impaired during the year		(105,506)	-
Transferred from/(to) plant and equipment	11	-	629
Expansion study expenses		-	2,616
Balance at 30 June		**49,359**	**61,927**

Accounting Policies

MINE PROPERTIES – AREAS IN DEVELOPMENT

Mine properties under development represent the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the mine inventory to which they relate or are written off if the mine property is abandoned.

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments amends AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset. Management have assessed the impact of the application of AASB 2020-3 and estimate that the changes to AASB 116 will have no impact on the Mine Properties – Areas in Development account balance. The increase to amortisation expense of $10.1m from the accounting standard change is offset by an equal reduction in impairment expense for the year ended 30 June 2022.

KEY JUDGMENTS

Production start date

The Group assesses the stage of each mine under construction to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine and the processing plant is substantially complete and ready for its intended use. At this time, any costs capitalised to 'mine properties – areas in development' are reclassified to 'mine properties – areas in production' and 'property, plant and equipment'. Some of the criteria will include, but are not limited, to the following:

- availability of the plant;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain ongoing production of metal at commercial rates of production.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs that qualify for capitalisation relating to mine asset additions or improvements, mine development or mineable reserve development. It is also at this point that depreciation/amortisation commences.

14. EXPLORATION AND EVALUATION EXPENDITURE

		Consolidated	
	Note	2022 $'000	2021 $'000
Reconciliation of movements during the year			
Balance at 1 July		34,242	12,974
Exploration expenditure capitalised during the year		14,636	25,688
Transferred to mine properties – areas in production	12	-	(4,481)
Impaired during the year		(1,354)	-
Other		-	61
Balance at 30 June		**47,524**	**34,242**

Accounting Policies

EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the mine development expenditure and classified under non-current assets as development properties.

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

KEY JUDGMENTS

Exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

EXPLORATION EXPENDITURE COMMITMENTS

In order to maintain current rights of tenure to mining tenements, the Group has the following exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable as follows:

	Consolidated	
	2022 $'000	2021 $'000
Within one year	2,431	2,447

15. IMPAIRMENT OF ASSETS

The carrying values of non-current assets are reviewed for impairment when indicators of impairment exist or changes in circumstances indicate the carrying value may not be recoverable. When an indicator of impairment does exist, the below process is followed.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs, and where the carrying values exceed the estimated recoverable amount, the assets or CGU are written down to their recoverable amount.

The recoverable amount of an asset is the greater of the fair value less costs to sell, and value in use:

- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and
- Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

AASB 136.20 states it may be possible to measure fair value less costs of disposal, even if there is not a quoted price in an active market for an identical asset. The Group believes fair value can be estimated based on discounted cash flows using market-based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on CGU life of mine (**LOM**) plans.

When LOM plans do not fully utilise existing mineral properties for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of mineral properties is included in the determination of fair value. The Company considers this fair value valuation approach to be consistent with the approach taken by market participants and is consistent with that adopted in the prior year assessment.

In accordance with AASB 136, CGU is defined as "the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets". The Group operates as one CGU, being the Matilda-Wiluna Gold Mine or the Wiluna Mining Operation (**WMO**), which is unchanged from the assessment for the financial year ended 30 June 2021.

DETERMINATION OF MINERAL RESOURCES AND ORE RESERVES

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for decommissioning and restoration. The information in this report as it relates to ore reserves, mineral resources or mineralisation is reported in accordance with the AusIMM "Australian Code for reporting of Identified Mineral Resources and Ore Reserves" (**Code**). The information has been prepared by or under supervision of competent persons as identified by the Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation which may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs, ore grades and/or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

IMPAIRMENT OF MINE PROPERTIES, PLANT AND EQUIPMENT

The future recoverability of capitalised mine properties and plant and equipment is dependent on a number of key factors including; gold price, discount rates used in determining the estimated discounted cash flows of CGUs, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources, the estimated value of unmined inferred mineral properties included in the determination of fair value less cost to dispose (**fair value**), future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations).

Fair value is estimated based on discounted cash flows using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on CGU LOM plans. Consideration is also given to independent valuations and the market value of the Company's securities. When LOM plans do not fully utilise existing mineral properties for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of mineral properties is included in the determination of fair value. The Group considers this valuation approach to be consistent with the approach taken by market participants and is consistent with that adopted in the prior year.

The Group has estimated its unmined resource values based on a dollar value per gold equivalent ounce basis, taking into account a range of factors although principally the current market rate for similar resources.

In determining the fair value of CGUs, future cash flows were discounted using rates based on the Group's estimated weighted average cost of capital. When it is considered appropriate to do so, an additional premium is applied with regard to the geographic location and nature of the CGU. Life of mine operating and capital cost assumptions are based on the Group's latest assumptions. Operating cost assumptions reflect the expectation that costs will, over the long term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.

KEY ASSUMPTIONS FOR THIS REVIEW:
Commodity prices are estimated with reference to external market forecasts, and the rates applied to the valuation have regard to observable market data.

Discount Rate %: 10.0% to 13.0%, with a mid-point of 11.5% (2021: 6.88% to 14.88%, with a mid-point of 10.88%).

In determining the fair value of the CGU, the future cash flows were discounted using rates based on the Company's estimated weighted average cost of capital.

Value of Unmined Resources: A$35/oz – A$45/oz, with a preferred value of A$43/oz (2021: A$68/oz – A$76/oz, with a mid-point of A$72/oz).

In assessing the value of unmined resources, the Company has referred to broker multiples for development companies, independent valuation work performed for Wiluna and existing comparable completed transactions involving the acquisition/sale of a gold asset. The assessed resource multiple is weighted towards the resource multiples of those transactions involving assets considered to be the most comparable to the Group, which included assessment of the following factors:

- Type of ore body (presence of sulphides, which can interfere with the processing of the gold);
- Known operational issues or in distress (Wiluna is currently subject to deed of company arrangement and was under voluntary administration from 20 July 2022 to 28 July 2023 and has faced a number of operational issues since mining recommenced in July 2016);
- Contained resources (a defining feature of the WMO is the large size of its resource base);
- Existence of significant infrastructure, including a Biox Plant to process the sulphides (as previously noted, WMO has access to much of the infrastructure required to mine and process);
- Stage of Development (the WMO is a large tenement package); and
- Grade and method of mining (Wiluna has contemplated both open pit and underground mining).

Operating and capital costs:
Operating and capital cost assumptions are based on the Group's expected run-rate for these costs.

Cash, debt and capital

This section outlines how the Group manages its cash, capital, related financing costs and its exposure to various financial risks. It explains how these risks affect the Group's financial position and performance and what the Group does to manage these risks.

16. CASH AND CASH EQUIVALENTS

Accounting Policies

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits available on demand with banks and other short-term highly liquid investments with original maturities of three months or less.

	Consolidated	
	2022 $'000	2021 $'000
Cash and cash equivalents in the statement of financial position and statement of cash flows		
Cash at bank and on hand	17,217	54,077
Short-term deposits	-	-
Total	**17,217**	**54,077**

	Consolidated	
	2022 $'000	2021 $'000
Reconciliation of loss after income tax to the net cash flow from operating activities		
(Loss)/gain after income tax	**(276,055)**	**20,404**
Adjustments for		
Depreciation and amortisation	12,348	30,672
Impairments during the year	234,310	-
Equity based payments	-	316
Treasury – unrealised (gain)/loss	26,650	(6,576)
Loss/(profit) on disposal of fixed asset	3,139	-
Non-capital exploration expenditure	(2,564)	384
Unwinding of discount on rehabilitation provision	344	25
Finance costs	4,648	950
Sale of non-core assets	-	175
Other	-	(2)
Changes in operating assets and liabilities		
Receivables	1,205	1,413
Inventories	2,616	(10,339)
Payables	4,016	(3,477)
Provisions	403	-
Net cash inflow from operating activities	**11,060**	**33,945**

16. CASH AND CASH EQUIVALENTS (CONT'D)

	Consolidated		
	Interest-bearing liabilities $'000	Lease liabilities $'000	Total $'000
Changes in liabilities arising from financing activities			
Balance at 1 July 2020	293	10,425	10,718
Net cash from/(used in) financing activities	57,898	(7,966)	49,932
Acquisition of plant and equipment by means of leases	56	2,174	2,230
At 30 June 2021	**58,247**	**4,633**	**62,880**
Net cash from/(used in) financing activities	2,959	9,232	12,191
Acquisition of plant and equipment by means of leases	(21)	(2,246)	(2,267)
At 30 June 2022	**61,185**	**11,619**	**72,804**

17. GOLD BULLION AWAITING SETTLEMENT

	Consolidated	
	2022 $'000	2021 $'000
Current		
Gold bullion awaiting settlement	56	55

Accounting Policies

GOLD BULLION AWAITING SETTLEMENT

Bullion awaiting settlement comprises gold that has been received by the refiner prior to period end but which has not yet been delivered into a sale contract. Gold bullion awaiting settlement is initially recognised at the expected selling price and adjustments for variations in the gold price are made at the time of final settlement, which is within a matter of days.

Due to the short-term nature of the bullion awaiting settlement, the carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the fair value.

18. INTEREST-BEARING LIABILITIES

	Consolidated	
	2022 $'000	2021 $'000
Current interest-bearing liabilities		
Secured loan – Mercuria, net of capitalised fees	55,691	9,196
Finance lease liabilities	1,620	699
	57,311	**9,895**
Non-current interest-bearing liabilities		
Secured loan – Mercuria, net of capitalised fees	-	46,710
Finance lease liabilities	3,874	1,642
	3,874	**48,352**

Accounting Policies

BORROWINGS AND BORROWING COSTS

Loans and borrowings are initially recognised at the fair value of the consideration received.

18. INTEREST-BEARING LIABILITIES (CONT'D)

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.
Borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

INTEREST-BEARING LIABILITIES

SECURED LOANS – MERCURIA

On 16 June 2021, the Company announced that the final conditions and documentation for a US$42 million Term Loan agreement ("Tranche 2") with Mercuria had been completed, the loan was drawn down on 18 June 2021. The Term Loan has a 48-month tenor, with a grace period of 6 months (during which the Company will only pay interest) followed by equal monthly repayments thereafter. The interest rate was LIBOR + 9.5%. Tranche 2 was complemented by a gold hedging facility for 159,000oz priced at US$1,820/oz. The Term Loan and hedging program are secured under a general security arrangement. The facility was fully drawn down.

On 30 June 2022 gold hedging contracts in place with Mercuria were 177,500oz at ~US$1,818/oz, with a negative mark to market position of $20.5m. On 22 July 2022 the Administrators were notified by Mercuria that it was closing out the gold hedging contracts in place with the Company, following the Company's decision to enter Voluntary Administration. The gold hedging contracts were closed out with a net realised gain of $3.2m (US$2.2m), which was set off against the Mercuria debt principal.

Throughout the External Administration period the Company continued to make monthly interest only payments to Mercuria and at key milestones principal and interest payments.

FINANCE LEASE LIABILITIES

The Group holds hire purchase agreements for the acquisition of mobile equipment. The agreements incorporate fixed rates between 2% and 12%, monthly repayments and expiry dates between June 2021 and June 2026. Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

19. FINANCIAL ASSETS AND LIABILITIES

	Consolidated	
	2022 **$'000**	**2021** **$'000**
Financial assets – current		
Derivative financial asset	-	2,530
Other	18	19
Sub-total – current	**18**	**2,549**
Financial assets – non-current		
Derivative financial asset	**-**	3,416
Sub-total – non-current	**-**	**3,416**
Total financial assets	**18**	**5,965**
Financial liabilities - current		-
Derivative financial liability	(1,510)	-
Sub-total – current	**(1,510)**	**-**
Financial liabilities - non-current		
Derivative financial liability	(18,938)	-
Sub-total – non-current	**(18,938)**	**-**
Total financial assets	**(20,448)**	**-**

19. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

Gold forward contracts have been marked-to-market at 30 June 2022 as per note 8.

On 22 July 2022, shortly after the appointment of the Voluntary Administrators, notice of early termination of the gold hedging agreement was provided to Mercuria. The early termination amount was $2,211,888, payable by Mercuria to Wiluna, with the gold hedge moving from out-of-the-money at 30 June 2022 to in-the-money at the termination date.

Gold Forward Contracts

The gold hedge contracts at 30 June 2022 comprised the following:

- **Initial Tranche 2** - On 16 June 2021, as part of the US$42 million Term Loan agreement with Mercuria (**Tranche 2**) a gold hedging facility for a total of 159,000oz at an average price of US$1,820/oz was put in place; and

- **Variation to Tranche 2** - On 18 January 2022, Mecuria Tranche 2 debt principal repayment was extended to April 2022 and an additional 38,750oz at an average price of US$1,812/oz was added to the hedge facility. This resulted in the updated hedge book at the date of this report being for 177,500oz @ US$1,818/oz, maturing by the end of December 2025 (previously end of May 2025).

The Term Loan and hedging program are secured under a general security arrangement.

	Mark-to-market	
Open contracts	**2022 $'000**	**2021 $'000**
Within one year	(1,510)	2,530
- Forward contracts		
Between one and two years	(4,876)	2,584
- Forward contracts		
Between two and five years	(14,062)	832
- Forward contracts		
Total open contracts	**(20,448)**	**5,946**

Mark-to-market represents the value of the open contracts at balance date, calculated with reference to the gold spot price at that date. A negative amount reflects a valuation in the counterparty's favour.

19. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

Accounting Policies

FINANCIAL ASSETS

Financial assets are initially recognised at fair value, plus transaction costs that are directly attributable to its acquisition and subsequently measured at amortised costs or fair value depending on the business model for those assets and the contractual cash flow characteristics.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on the nature of the derivative.

Derivatives are classified as current or non-current depending on the expected period of realisation.

GOLD FORWARD CONTRACTS

As part of the risk management policy, the Group enters into gold forward contracts to manage the gold price of a proportion of anticipated gold sales. The counterparty of the gold forward contracts is Mercuria Energy Trading Pte Ltd. As set out above, the forward contracts were closed out subsequent to year-end.

20. RIGHT OF USE ASSETS

This note provides information for leases where the Group is a lessee.

Amounts recognised in statement of financial position

	Consolidated	
	2022 $'000	2021 $'000
Right of use assets		
Buildings	1,163	1,163
Plant & equipment	11,010	7,533
Less: Accumulated depreciation	(718)	(4,254)
Total right of use assets	**11,455**	**4,442**
Right of use lease liabilities		
Current	1,133	2,294
Non-current	10,486	2,339
Total lease liabilities	**11,619**	**4,633**

Amounts recognised in statement of profit or loss and other comprehensive income

	Consolidated	
	2022 $'000	2021 $'000
Gain on modification of lease	-	340
Depreciation of right of use assets	(2,219)	(4,817)
Interest expense (included in finance costs)	(809)	(948)

20. RIGHT OF USE ASSETS (CONT'D)

Accounting Policies

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

As at the balance date, the Group assessed under AASB 16 whether there was a significant change in circumstances and whether termination of any of the agreements was reasonably certain. After this assessment, all ROU assets and liabilities associated with the mining contractor were derecognised as at 30 June 2022.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

21. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, held-for-trading investments, derivative financial instruments, cash and short-term deposits.

The Deed Administrators' have overall responsibility for the oversight and management of the Group's exposure to a variety of financial risks (including market risk, credit risk and liquidity risk).

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Gold price volatility and exchange rate risks

Any revenue the Group derives from the sale of gold 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, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors.

Interest rate risks
The Group's exposure to market interest rates relates to cash deposits held at variable rates. The Board regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions.

Sensitivity analysis
The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis
At 30 June 2022, the effect on loss as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	Consolidated	
	2022 **$'000**	**2021** **$'000**
Change in loss/equity		
Increase in interest rate by 100 basis points	120	189
Decrease in interest rate by 100 basis points	(120)	(189)

CREDIT RISK
The maximum exposure to credit risk at reporting date is the carrying amount of those assets as disclosed in the statement of financial position and notes to the financial statements. The Group has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Credit risk related to balances with banks and other financial institutions is managed by the Board. The Board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least A+. All of the Group's surplus funds are invested with AA and A+ Rated financial institutions.

LIQUIDITY RISK
The responsibility for liquidity risk management rests with the Deed Administrators. The Group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments.

Financing arrangements
Refer to note 18 for unused (if any) borrowing facilities at reporting date.

FOREIGN CURRENCY RISK
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

21. FINANCIAL RISK MANAGEMENT (CONT'D)

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Consolidated	
	2022 $'000	2021 $'000
Assets		
US dollars	5,063	34,932
Liabilities		
US dollars	56,792	56,042

The Group had net liabilities denominated in foreign currencies of $51.7 million (assets of $5.1 million less liabilities of $56.8 million) as at 30 June 2022 (2021: $21.1 million). Based on this exposure, had the Australian dollar weakened by 10% /strengthened by 5% against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year and subsequently equity would have been $5.7 million lower/$2.5 million higher. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2022 was $4.5 million (2021: $0.1 million loss).

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2022	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	48,166	-	-	-	48,166
Interest-bearing – fixed rate						
Secured loan - Mercuria	9.4%					56,792
Finance lease liability	7.3%	1,620	1,377	2,497	-	5,494
Lease liability	9.3%	1,133	1,248	3,548	5,690	11,619
Total non-derivatives						**122,071**

21. FINANCIAL RISK MANAGEMENT (CONT'D)

2021	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	30,289	-	-	-	30,289
Interest-bearing – fixed rate						
Secured loan – Mercuria	9.4%	9,907	15,962	31,923	-	57,792
Finance lease liability	4.8%	699	701	931	10	2,341
Lease liability	9.3%	2,294	1,117	1,222	-	4,633
Total non-derivatives		**43,189**	**17,780**	**34,076**	**10**	**95,055**

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

FAIR VALUE MEASUREMENTS

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets held for trading
- Derivative financial instrument – receivable in relation to equity swap

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

FAIR VALUE HIERARCHY

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- **LEVEL 1**
  Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **LEVEL 2**
  Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **LEVEL 3**
  Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

VALUATION TECHNIQUES

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation technique selected by the Company is:

- *Market approach:*
  Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

21. FINANCIAL RISK MANAGEMENT (CONT'D)

When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2022			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- held-for-trading Australian listed shares	18	-	-	18
- gold forward contracts	-	(1,385)	-	(1,385)

	30 June 2021			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- held-for-trading Australian listed shares	18	-	-	18
- gold forward contracts	-	-		-

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Accounting Policies

FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

21. FINANCIAL RISK MANAGEMENT (CONT'D)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

INVESTMENT AND OTHER FINANCIAL ASSETS

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

22. ISSUED CAPITAL

	Consolidated	
	2022 $'000	2021 $'000
Ordinary shares – issued and fully paid	392,353	297,760

22. ISSUED CAPITAL (CONT'D)

	Number ('000s)	$'000
Movement in ordinary shares on issue		
At 1 July 2020	100,284	236,865
Issued on exercise of options	22	3
Placement	56,191	63,638
Issued in lieu of payment	1,781	837
Transaction costs	-	(3,583)
On issue at 30 June 2021	**158,278**	**297,760**
At 1 July 2021	158,278	297,760
Issued on exercise of options	36	-
Placement	53,000	53,000
Issue of shares (i)	135,644	47,257
Issue shortfall	7,504	3,002
Transaction costs	-	(8,666)
On issue at 30 June 2022 (ii)	**354,462**	**392,353**

(i) Includes 17.65m shares issued in June 2022, but no funds received. These shares will be cancelled pending recovery proceedings

(ii) Shares on issue agrees to the share registry as at 30 June 2022; updated announcement to be provided to the ASX re shares on issue.

Accounting Policies

ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

23. RESERVES

	Consolidated	
	Number ('000s)	$'000
Share-based payments reserve consists of:		
Share options	3,634	5,121
Performance rights	-	1,410
	3,634	**6,531**
Balance at 1 July 2020	8,444	6,177
Options expired	(6,736)	-
Options issued	995	1,140
Options exercised	(21)	-
Options forfeited	(549)	(824)
Balance at 30 June 2021	**2,133**	**6,493**
Balance at 1 July 2021	2,133	6,493
Options vested	-	-
Options issued	1,778	38
Options exercised	(36)	-
Options forfeited	(241)	-
Balance at 30 June 2022	**3,634**	**6,531**

Accounting Policies

SHARE-BASED PAYMENT RESERVES

Options and performance rights are issued to suppliers, directors, employees and consultants. The options and performance rights issued may be subject to performance criteria and are issued to directors and employees of the Company to increase goal congruence between executives, directors and shareholders. Options and performance rights granted carry no dividend or voting rights.

Operating assets and liabilities

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in the capital structure and finance costs section.

Accounting Policies

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when:

- it is expected to be realised or intended to be sold or consumed in a normal operating cycle;
- it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in a normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities, when recognised, are classified as non-current.

24. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2022 $'000	2021 $'000
Current		
GST receivable	1,635	2,789
Fuel tax credit receivable	110	207
Other debtors	553	507
Total	**2,298**	**3,503**
Non-current		
Bank guarantees (restricted cash)	656	656
Total	**656**	**656**

Accounting Policies

TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

24. TRADE AND OTHER RECEIVABLES (CONT'D)

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ('ATO').

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

25. INVENTORIES

	Consolidated	
	2022 $'000	2021 $'000
Current		
Consumable stores	6,910	4,766
Ore stockpiles – at cost	311	7,777
Ore stockpiles – at net realisable value	6,352	6,927
Gold in circuit – at cost	903	6,648
Total current	**14,476**	**26,118**

(a) Amounts recognised in profit or loss

Net realisable value changes to inventories during the year are recognised in profit and loss.

Accounting Policies

INVENTORY

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at either cost or net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into gold bullion. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product, including royalties.

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on an average basis.

Inventories expected to be sold (or consumed in the case of stores) within 12 months after the reporting date are classified as current assets, all other inventories are classified as non-current.

KEY JUDGMENTS

Inventories

Ore stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated processing plant metal recovery percentage. Stockpile tonnages are verified by periodic surveys.

26. TRADE AND OTHER PAYABLES

	Consolidated	
	2022 $'000	2021 $'000
Current		
Trade payables	30,577	9,976
Accrued expenses	16,333	19,363
Other creditors	1,256	950
Total	**48,166**	**30,289**

Accounting Policies

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

ANNUAL LEAVE

A liability is recognised for the amount expected to be paid to an employee for annual leave they are presently entitled to as a result of past service. The liability includes allowances for on-costs such as superannuation and payroll taxes, as well as any future salary and wage increases that the employee may be reasonably entitled to.

DEFINED CONTRIBUTION SUPERANNUATION EXPENSE

Contributions to defined contribution superannuation plans are recorded in the period in which they are incurred.

27. PROVISIONS

		Consolidated	
	Note	2022 $'000	2021 $'000
Current			
Rehabilitation		-	-
Annual leave payable		2,337	2,050
Balance at 30 June		**2,337**	**2,050**
Non-Current			
Long service leave		310	194
Rehabilitation		45,910	34,076
Balance at 30 June		**46,220**	**34,270**
Provision for rehabilitation			
Balance at 1 July		34,076	31,238
Provisions re-measured during the year	12	11,490	2,813
Provision used during the year		-	-
Unwinding of discount	3	344	25
Balance at 30 June		**45,910**	**34,076**

The provision for mine rehabilitation and closure on acquired tenements has been recognised at each reporting date. The provision is based on the net present value of the current life of mine model.

27. PROVISIONS (CONT'D)

Accounting Policies

PROVISIONS

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

LONG SERVICE LEAVE

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service up to reporting date, plus related on costs. The benefit is discounted to determine its present value and the discount rate is the yield at the reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

SHORT-TERM EMPLOYEE BENEFITS

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

KEY JUDGMENTS

Site rehabilitation

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for an 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 estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Other disclosures

28. SHARE-BASED PAYMENTS

Options and performance rights are issued to directors, employees and service providers. The options and performance rights issued may be subject to performance criteria and are issued to directors and employees of the Company to increase goal congruence between employees, directors and shareholders. Options and performance rights granted carry no dividend or voting rights.

SUMMARY OF OPTIONS GRANTED

The following table illustrates the number (**No.**) and weighted average exercise prices (**WAEP**) of, and movements in, share options issued under the Employee Option Plan during the year:

	2022		2021	
	No.	WAEP $	No.	WAEP $
At beginning of reporting period	2,133,200	2.70	8,444,209	3.08
Granted during the period:				
- Entitlements Offer	-		-	
- Employees and service providers	1,727,670	-	995,423	-
- Directors	50,535	-	-	-
Forfeited during the period	(241,133)	-	(549,347)	-
Exercised during the period	(36,463)	-	(20,699)	-
Expired during the period	-	-	(6,736,386)	3.00
Balance the end of reporting period	**3,633,809**	**1.59**	**2,133,200**	**2.70**

		2022	2021
Weighted average remaining contractual life	**years**	2.2 years	2.5 years
Range of exercise prices	**$**	$0.00 - $8	$0.00 - $8
Weighted average fair value of entitlement offer options granted during the year	**$**	-	-
Weighted average fair value of employee and service providers' options granted during the year	**$**	-	-
Weighted average fair value of directors' options granted during the year	**$**	-	-

KEY ESTIMATES

Equity-based payments

The fair value of options granted to directors, executives and contractors is recognised as an expense with a corresponding increase in contributed equity. The fair value is measured at grant date and recognised over the period during which the directors, executives and contractors becomes unconditionally entitled to the options.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected divided yield and the risk-free interest rate for the term of the option.

28. SHARE-BASED PAYMENTS (CONT'D)

OPTION PRICING MODEL

The following table lists the inputs to the valuation model used for the year ended 30 June 2022:

Allottee	Number of options	Fair value at grant date per option	Estimated volatility	Life of option until expiry	Exercise price	Share price at grant date	Risk free interest rate
		$	%	(years)	$	$	%
Directors & employees	1,778,205	$0.00	80%	4	-	$0.96	1.5%

The following table lists the inputs to the valuation models used for the year ended 30 June 2021:

Allottee	Number of options	Fair value at grant date per option	Estimated volatility	Life of option until expiry	Exercise price	Share price at grant date	Risk free interest rate
		$	%	(years)	$	$	%
Directors & employees	811,985	1.11	100%	4	-	1.46	0.4%
Director	183,438	1.29	100%	4	-	1.72	0.3%

(i) *Note: These figures are post-consolidation of the Company's securities, being 100:1, completed on 25 May 2020.*

29. RELATED PARTIES

KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation included in employee benefits expense and share-based payments (note 28) is as follows:

	Consolidated	
	2022 $'000	2021 $'000
Short-term employee benefits	2,749	2,783
Long-term employee benefits	42	211
Post employment benefits	149	160
Termination benefits	108	82
Total compensation	**3,048**	**3,236**

CONTROLLED ENTITIES

The consolidated financial statements include the assets, liabilities and results of the following wholly-owned subsidiaries, each of which is also subject to the DOCA:

Name of controlled entity	Country of incorporation	Consolidated entity company holding the investment	% Entity Interest 2021	2020
Scaddan Energy Pty Ltd	Australia	Wiluna Mining Corporation Limited	100%	100%
Zanthus Energy Pty Ltd	Australia	Scaddan Energy Pty Ltd	100%	100%
Lignite Pty Ltd	Australia	Scaddan Energy Pty Ltd	100%	100%
Wiluna Gold Pty Ltd	Australia	Wiluna Mining Corporation Limited	100%	100%
Kimba Resources Pty Ltd	Australia	Wiluna Gold Pty Ltd	100%	100%
Wiluna Operations Pty Ltd	Australia	Wiluna Gold Pty Ltd	100%	100%

Wiluna Mining Corporation Limited is the parent entity of the Group.

29. RELATED PARTIES (CONT'D)

TRANSACTIONS WITH RELATED ENTITIES

Mr Milan Jerkovic is an officer and co-owner of Xavier, a company who provides consulting and corporate advisory services to the Group. During the year, Xavier was paid $204,27 (2021: $729,182) for consulting services provided to the Group. $16,500 (2021: $336,182) was outstanding at balance date.

Ms Lisa Mitchell, a Director of the Company, whose spouse is also a Director and beneficiary of Ironbridge Capital Partners, a company who provides consulting services to the Group; during the year, $93,562 (2021: $7,344) was paid (or is payable) to Ironbridge Capital Partners for consulting services provided to the Group. All transactions were made on normal commercial terms and conditions, and at market rates. There is no outstanding balance at 30 June 2022 (2021: nil)

All transactions were made on normal commercial terms and conditions, and at market rates.

LOANS TO/ FROM RELATED PARTIES:

There were no loans from related parties as at 30 June 2022 and 30 June 2021.

30. JOINT VENTURES AND ASSOCIATES

Joint Operation	Joint Operation Parties	Principal Activities	2022 Interest %	2,021 Interest %
Wilconi JV	Wiluna A-Cap Resources Limited	Exploration	20%	20%

The joint venture operations are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not in themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint operation assets.

31. PARENT ENTITY INFORMATION

The following information is for the parent entity, Wiluna Mining Corporation Limited, at 30 June 2022. The information presented here has been prepared using consistent accounting policies as detailed in the relevant notes of this report.

	2022 $'000	2021 $'000
Current assets	17,908	60,794
Non-current assets	312,413	194,890
Total assets	**330,321**	**255,684**
Current liabilities	(83,428)	(62,988)
Non-current liabilities	(119)	(90)
Total liabilities	**(83,547)**	**(63,078)**
Issued capital	(393,403)	(297,760)
Reserves	(6,738)	(6,493)
Accumulated losses	153,367	111,647
Total equity	**(246,774)**	**(192,606)**
Total comprehensive (loss) of the parent	**(185,285)**	**(4,742)**

31. PARENT ENTITY INFORMATION (CONT'D)

ACCOUNTING POLICIES

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

32. COMMITMENTS

CONTRACTUAL COMMITMENTS

In May 2021, the Group extended its agreement with Synergy for the supply of gas to the Matilda-Wiluna Gold Operation out to 2024. The terms of these agreement commit the Group to purchasing a minimum amount of gas for the term of the contract. As at 30 June 2022, at the current contract price, the Group had commitments to purchase gas for the remaining term of $2,953,000 (2021: $4,200,000).]

During FY21, the Group's agreements with APA and Goldfields Gas Transmission Pty in relation to gas transportation to the Matilda-Wiluna Gold Operation, were extended out to 2023 with no other amendments made to the terms. The terms of the agreements commit the Group to transporting a minimum monthly amount of gas for the term of the contract. As at 30 June 2022, at the current contract prices, the Group had commitments for the use of the pipeline for the remaining term of $844,000 (2021: $2,524,000).

	Consolidated	
	2022 $'000	2021 $'000
Not longer than one year	2,110	2,842
Longer than one year, but not longer than five years	1,687	3,881
Longer than five years	-	-
Total	**3,797**	**6,723**

Additionally, the Company has a limited commitment to deliver and sell 1.65% of its monthly gold production to Osisko Bermuda Limited at a 70% discount to the prevailing spot gold price (but limited to at a price not higher than US$600 per ounce).

The Company pays an indefinite royalty to Franco Nevada, being 3.6% of revenue (net of refining costs, gold freight and the 2.5% Western Australian State Government royalty).

33. CONTINGENT ASSETS AND LIABILITIES

CONTINGENT ASSETS:

As part of the farm-in and Joint Venture Agreement with A-Cap Resources Limited on the exploration tenements (**project**) owned by the Group, the following contingent assets exist:

- $1 million in cash and issuing A-Cap Resources Limited' shares equal to $1.5 million on exclusive right to earn a 20% participant interest on the project by A-Cap Resources Limited (**Third Earn in Interest**).

CONTINGENT LIABILITIES:

Based on the Voluntary Administration Report to Creditors (dated 30 June 2023), FTI have investigated and made enquiries into Wiluna's business, property, affairs and financial circumstances. This report is available at https://www.fticonsulting.com/creditors/wiluna-group.

In the report, FTI set out preliminary views and findings about:

- the solvency position of the Group and any potential claim for insolvent trading;
- the capital raising conducted by Wiluna in May 2022;
- voidable transactions and any charges that may be voidable; and
- offences that may have been committed by the Companies' Directors.

Wiluna and FTI's current view is none of the preliminary findings in relation to any of these matters give rise to a contingent liability, but this view has not been confirmed by independent legal advice.

In relation to insolvent trading, FTI's preliminary view is that Wiluna was likely insolvent from at least 30 April 2022 and possibly as early as 30 October 2021. Wiluna remained insolvent up until the date of the Administration on 20 July 2022. Under section 588G of the Corporations Act, directors have a positive duty to prevent a company from trading whilst it is insolvent. If a director is found to have contravened section 588G of the Act, they may be ordered to pay an amount of compensation to the Companies equal to the amount of loss or damage suffered by creditors of the company due to the contravention. Information about possible insolvent trading is relevant to creditors when deciding about the future of the company as directors of the companies can only be pursued for insolvent trading if the companies are in liquidation. Any potential claim for insolvent trading has not yet been quantified and is believed to be against the directors rather than the company itself, although it is possible that there may be claims against the Company under sections 588V and 588W of the Corporations Act.

34. AUDITOR'S REMUNERATION

	Consolidated	
	2022 **$'000**	**2021** **$'000**
Audit services – RSM Australia Partners		
- Auditing or reviewing the financial report	156	137
- Other services	-	32
Total	**156**	**169**

35. SUBSEQUENT EVENTS

On 6 July 2022, Mr Milan Jerkovic resigned from the Board of Directors and his role as Executive Chairman. Mr Rowan Johnston was appointed as Interim Non-Executive Chairman. Mr Michael Monaghan and Mr Robert Ryan were also appointed as acting Chief Executive Officer and Chief Operating Officer, respectively.

On 20 July 2022, the Board of Directors resolved to appoint the Voluntary Administrators to the Group.

On 11 July 2023, the Voluntary Administrators announced the concurrent second meeting of creditors was held on 7 July 2023 and the Deed of Company Arrangement Proposal (**DOCA Proposal**) as outlined in the report to creditors dated 30 June 2023 was approved by creditors (refer to ASX Announcement dated 3 July 2023 for further information on the DOCA Proposal).

On 1 August 2023, the Voluntary Administrators announced that the Voluntary Administrators and each member of the Wiluna Mining Group executed the DOCA on 28 July 2023 in accordance with the indicative terms of the DOCA Proposal as approved by creditors of the Wiluna Mining Group (refer to the ASX Announcements dated 3 July 2023 and 11 July 2023 for further information on the DOCA Proposal).

Because of the execution of the DOCA, each member of the Wiluna Mining Group is no longer in Voluntary Administration and are now subject to the DOCA on and from 28 July 2023. Michael Ryan, Kathryn Warwick, Daniel Woodhouse and Ian Francis have been appointed as the Deed Administrators of the DOCA. The Deed Administrators will continue to manage Wiluna's business and operations while progressing the conditions precedent to the effectuation of the DOCA.

On 24 August 2023, the Deed Administrators of the Group announced the following conditions precedents to the DOCA have been satisfied following the announcement on 1 August 2023, by the execution of the agreements between the relevant members of the Wiluna Mining Group and:

- Mercuria, pursuant to which the parties agree to restructure and amend the Mercuria facility agreement;
- Deutsche Balaton Aktiengesellschaft and Byrnecut Australia Pty Ltd, for the provision of convertible loan facilities totalling A$6,666,667 to be used to build and commission carbon-in-leach tanks and associated infrastructure at the Wiluna Mine and provide Wiluna with additional working capital;
- Trafigura Pte Ltd, pursuant to which the terms of the Trafigura offtake agreement has been amended and Trafigura agrees to forbear from enforcing certain rights under its offtake agreement; and

- Osisko Bermuda Limited, pursuant to which Osisko Bermuda Limited agrees to (amongst other things) forbear from enforcing (and waive) certain rights under its gold purchase deed.

The remaining conditions precedent to the effectuation of the DOCA are:
- Wiluna issuing new shares to raise new capital in an amount determined by the Deed Administrators on or before 31 December 2024 (**Capital Raising**), and obtaining necessary regulatory relief, ASX Listing Rule waivers or member approvals (if any) to complete the Capital Raising; and
- The appointment of one or more suitably qualified and experienced directors to the boards of directors of the Wiluna Mining Group.

On 24 August 2023, the Deed Administrators of the Group give notice that Wiluna relies on the relief granted under sections 6A and 8 of the ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251 (**Instrument**) in respect of the requirements to:
- lodge its annual report for the financial year ending 30 June 2023 within 3 months after the end of the financial year under section 319 of the Corporations Act 2001 (Cth) (**Corporations Act**);
- send its annual report for the financial year ending 30 June 2023 to its shareholders within 4 months after the end of the financial year under sections 314 and 315 of the Corporations Act; and
- hold an annual general meeting (**AGM**) at least once in each calendar year and within 5 months after the end of its financial year under section 250N of the Corporations Act.

As a result of the relief granted under the Instrument, the new due date for Wiluna will be:
- to lodge and send its annual report for the financial year ending 30 June 2023, the earlier of:
  - 24 months after the day when administrators were appointed for Wiluna;
  - the day on which a director of Wiluna has the right to, or is able to, perform or exercise all or most of the management powers or functions of a director of Wiluna under the DOCA or with the consent of the Deed Administrators; or
  - the day the external administration of Wiluna ends, (**Deferral Period**); and
- to hold an AGM, within 2 months after the end of the Deferral Period.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

36. ROUNDING

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Deed Administrators' Declaration

Under the DOCA and on behalf of the Deed Administrators of Wiluna Mining Corporation Limited, I state that:

1. In the opinion of the Deed Administrators:

    (a) The financial statements, notes and additional disclosures included in the Deed Administrators' report designated as audited, are in accordance with the *Corporations Act 2001*, including:

        (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

        (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

    (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Deed Administrators draw attention to the notes to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

3. The Deed Administrators have been given the declarations required by section 295A of the *Corporations Act 2001*.

This report is made by the Deed Administrators on the date set out below pursuant to their power under the DOCA.

On behalf of the Deed Administrators

Michael Ryan
Perth, 31 October 2023

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INDEPENDENT AUDITOR'S REPORT
To the Members of Wiluna Mining Corporation Limited (Subject to Deed of Company Arrangement)

Disclaimer of Opinion

We were engaged to audit the financial report of Wiluna Mining Corporation Limited (Subject to Deed of Company Arrangement) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the declaration by the Deed Administrators.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for Disclaimer of Opinion

On 20 July 2022, the directors of the Company resolved to put the Group into voluntary administration. Since the appointment of the voluntary administrators, majority of the board of directors and management resigned, and its day-to-day operations were managed by the voluntary administrators. Subsequent to the appointment of voluntary administrators, the Group's major operations were put under care and maintenance. On 28 July 2023, the Group executed a deed of company arrangement.

The Group's accounting and statutory records were not adequate to permit the application of necessary audit procedures, and we were unable to obtain all the information and explanations we required in order to form an opinion on the financial report. Areas where we were unable to determine whether the financial report complies with Australian Accounting Standards include valuation of inventories and right of use assets, classification and completeness of lease liabilities, provisions and other liabilities, carrying value of plant and equipment, mine properties- area in development, exploration and evaluation of assets, recognition of share based payment and issued capital and occurrence and cut off of revenue.

Accordingly, we were unable to determine whether any adjustments were necessary in respect of the Group's consolidated statement of financial position as at 30 June 2022, its consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial report.

We draw attention to Notes to the consolidated financial statements which indicate that the Group incurred a loss after income tax of $276 million, a deficit in working capital (current liabilities exceed current assets) of $76.4 million and had net cash outflows from investing activities of $136.1 million respectively for the year ended 30 June 2022. These events or conditions, along with other matters as set forth in Notes to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Responsibilities of the Deed Administrators for the Financial Report

The Deed Administrators of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Deed Administrators determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Deed Administrators are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Deed Administrators either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Deed Administrators are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the ethical requirements of the Corporations Act 2001 and the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Report on the Remuneration Report

Disclaimer of Opinion on the Remuneration Report

We were engaged to audit the Remuneration Report included within the Deed Administrators' report for the year ended 30 June 2022.

We do not express an opinion on the Remuneration Report. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Remuneration Report.

Responsibilities

The Deed Administrators of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Remuneration Report.

RSM

RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 31 October 2023

ASX Additional Shareholder Information

SHAREHOLDING

The distribution of members and their holdings of equity securities in the Company is:

Number Held as at 29 October 2023	Fully Paid Ordinary Shares	%	Quoted Options	%
1 - 1,000	723,548	0.20%	38,508	0.02%
1,001 - 5,000	3,054,009	0.86%	571,830	0.37%
5,001 – 10,000	3,562,885	1.00%	795,604	0.51%
10,001 - 100,000	22,480,217	6.30%	5,338,659	3.44%
100,001 and over	326,734,263	91.64%	148,495,376	95.66%
1. TOTALS	**356,554,922**	**100.00%**	**155,239,977**	**100.00%**

Note: the shareholding figures differ to those contained in the June 2022 financial report due to a make up issue of approximately 1.8 million shares on 5 July 2022 and approximately 675,000 shares already issued but no HIN numbers provided.

The number of holders with less than a marketable parcel of fully paid ordinary shares is 2,072 holding a total of 1,764,996 shares. The number of holders with less than a marketable parcel of quoted options is 363 holding a total of 1,648,924 options.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as at 29 October 2023 (based on substantial shareholder notices received by the Company):

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT AND ITS AFFILIATES	104,784,600	29.55%
MAXIM GEYZER	38,910,000	10.91%
BYRNECUT AUSTRALIA PTY LTD	33,500,000	9.40%
FRANKLIN RESOURCE, INC. AND ITS AFFILIATES	26,800,000	7.56%

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest ordinary fully paid shareholders at 29 October 2023:

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
MR MAXIM GEYZER	38,910,000	10.91%
BYRNECUT AUSTRALIA PTY LTD	33,500,000	9.40%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	22,905,536	6.42%
SPARTA AG	22,490,000	6.31%
CITICORP NOMINEES PTY LIMITED	21,744,611	6.10%
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	21,728,103	6.09%
2INVEST AG	14,190,240	3.98%
DELPHI UNTERNEHMENSBERATUNG AG	13,114,112	3.68%
BNP PARIBAS NOMINEES PTY LTD	9,927,721	2.78%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	8,730,555	2.45%
DDH1 DRILLING PTY LTD	8,000,000	2.24%
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	7,464,659	2.09%
HEIDELBERGER BETEILIGUNGSHOLDING AG	7,320,000	2.05%
DEUTSCHE BALATON AKTIENGESELLSCHAFT	6,322,400	1.77%
BRISPOT NOMINEES PTY LTD	5,980,917	1.68%
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	4,911,112	1.38%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,903,345	1.38%
INTERQUIP CONSTRUCTION PTY LTD	4,680,000	1.31%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,172,385	1.17%
SPARTA AG	3,150,000	0.88%

Total	264,145,696	74.08%

TWENTY LARGEST QUOTED OPTIONHOLDERS

The names of the twenty largest holders of quoted options at 29 October 2023:

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
BYRNECUT AUSTRALIA PTY LTD	33,500,000	21.58%
MR MAXIM GEYZER	17,500,000	11.27%
DELPHI UNTERNEHMENSBERATUNG AG	13,000,000	8.37%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,155,369	6.54%
RHUROIN PTY LTD	10,000,000	6.44%
CITICORP NOMINEES PTY LIMITED	8,568,150	5.52%
DDH1 DRILLING PTY LTD	8,000,000	5.15%
SPARTA AG	7,540,000	4.86%
2INVEST AG	7,234,240	4.66%
INTERQUIP CONSTRUCTION PTY LTD	4,680,000	3.01%
DEUTSCHE BALATON AKTIENGESELLSCHAFT	3,900,000	2.51%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,645,000	2.35%
LAZARUS CORPORATE FINANCE PTY LTD <FACILITATION TRADING>	2,500,000	1.61%
LAZARUS CORPORATE FINANCE PTY LTD <NOMINEE A/C>	1,813,187	1.17%
LAZARUS CORPORATE FINANCE PTY LTD	1,337,500	0.86%
SAM INVESTORS PTY LTD	1,275,266	0.82%
CRANPORT PTY LTD	1,250,000	0.81%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS TRADING>	1,079,762	0.70%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	917,827	0.59%
BNP PARIBAS NOMS PTY LTD	841,553	0.54%
Total	**138,737,854**	**89.37%**

Note: the option figures differ to those contained in the June 2022 financial report due to a make up issue of approximately 1.8 million options on 5 July 2022.

UNLISTED OPTIONS

The unlisted options on issue at 29 October 2023:

Details of Holders	Number of Holders	Exercise price	Expiry Date	Number of options Held
Various holders – issued pursuant to ESOP	16	Nil[1]	30 Jun 2023	593,676
Lind Asset Management XIV, LLC	1	$8.00	13 Feb 2024	720,000
Various holders – issued pursuant to ESOP	14	Nil[1]	30 Jun 2024	680,482
Various holders – issued pursuant to ESOP	39	Nil[1]	30 Jun 2025	1,639,651

[1] *Zero priced options issued to employees pursuant to the terms and conditions of the Company's Employee Share Option Plan (ESOP).*

RESTRICTED SECURITIES

The Company has no restricted securities.

VOTING RIGHTS

ORDINARY SHARES

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.