

29 January 2016

January 2016 Quarterly Report

Western Mining Network Limited ("WMN" or the "Company") is pleased to release the following summary of activities undertaken in the last quarter of 2015.

Financing Report

The major activity for the quarter was focused on efforts to secure funding for the next phase of development of the Company's graphite projects. Management spoke to a wide range of potential investors including both institutional and individual investors and on 29th October 2015 announced a successful transaction with Lanstead Capital LP.

Under the terms of the placement, Lanstead subscribed for 30,000,000 ordinary shares which were issued at a price of A\$0.20 per share, representing a 25 percent premium to the Company's last traded price. Lanstead also received 7,500,000 options to acquire ordinary shares at a price of A\$0.27 per share exercisable on or before 30th June, 2017 and a grant of an additional 3,000,000 shares. In addition, the Company has entered into a sharing agreement ("Sharing Agreement") with Lanstead which enables the Company to secure much of the potential upside arising from any share price appreciation above \$0.27 over the next 18 months.

As a result of this transaction, the Company retained A\$900,000 of the aggregate A\$6,000,000 subscription price and the remainder was provided as security to Lanstead for the Sharing Agreement under which the Company will receive 18 monthly cash settlements determined by WMN's share price performance as measured against a benchmark price of A\$0.27 per share (the "Benchmark Price"). The broad effect of the arrangements is that, if the 18 month VWAP of the Company's shares following the date of the deal is A\$0.27, the Company should receive approximately A\$6,000,000 in total including the initial payment of A\$900,000. It will receive more if the average price is above A\$0.27, and less if the average price is below A\$0.27.

Further details are available in the Company's announcement dated 29th October, 2015.



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ABN: 63 144 079 667
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Non-Executive Director

David Palumbo
Company Secretary



Tamboli Project

Further discussions were undertaken during the quarter with Mining One regarding their requirements to produce a JORC resource statement for Tamboli. As a result the Company will undertake further check sampling using alternate methods of measurement, together with flake analysis and some basic flotation work in order to enable Mining One to advance their work. The Company will use the services of the Geoservices laboratory in Jakarta for this analysis. Both existing and new core samples will be submitted to the lab to complete the above requirements.

A work schedule has been developed for the project on the basis that the work programme will lag the Balai Sebut project in West Kalimantan.

The original purchase agreement for the Tamboli Project included three milestones, each of which triggered the granting of additional shares to the sellers. The issuance of the shares required as a result of the Company achieving the First and Second Milestones was approved at the Company's AGM on 30th November, 2015 and this resulted in the issuance of approximately 39 million shares in the final quarter.

PT Grafindo Nusantara (GFN)

In December the Company cemented its agreement to acquire PT Grafindo Nusantara with the signing of a conditional share purchase agreement. The terms of the transaction remain unchanged. Closing is subject to the granting of foreign investment approval by the Indonesian Government, the completion of confirmatory due diligence by both parties and any required shareholder approvals. In order to save both time and cost the Company will use the results of its due diligence to further the scoping study to be undertaken for the development of the Balai Sebut graphite deposit.

Persada

No substantive work was undertaken during this quarter in respect of the Persada project. The Company's intention is still to undertake an assessment of the project in the light of its declared focus on the development of its graphite resources. If

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it is concluded that this project has material potential value management may seek either a buyer or co-developer in order to realise value from the project without having to commit additional capital.

Scoping Studies

Scoping study work was advanced during the fourth quarter, following the appointment of International Metallurgical Operations (IMO) of Perth, as lead consultants on the metallurgical testing and development of the Company's two graphite projects.

IMO has extensive experience in the graphite business, which includes significant involvement in developing new technologies for a number of ASX listed companies. The company has an experienced team of graphite metallurgists, with the capability and skills necessary to design metallurgical flowsheets and produce conceptual and detailed designs of the beneficiation plant.

The first phase of work will consist of bench scale testing of core samples to verify previous work carried out, continue flowsheet development and establish design criteria for each of the flotation plants. As previously announced, the Company intends to prioritize and pursue the development of the high grade Balai Sebut deposit in West Kalimantan, which also contains significant quantities of large flake graphite. The second phase of work will focus on the conceptual design and costing of the most suitable plant design, to Scoping Study level. IMO have been tasked with producing the metallurgical portion of this report.

By the end of the quarter, IMO and Geoservices Laboratory in Jakarta had devised a comprehensive test work plan for utilising some of the remaining drill-core from Balai Sebut. This work will include both testing of a representative composite sample and three variability tests on different ore types. A similar program is also planned for Mekongga.

The testwork program is expected to commence during the first quarter of 2016. In parallel with this work, the Company expects to complete a resource upgrade with SRK and finalize the site layout, tailings dam design and other civil works requirements.



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Market Study

During the quarter, a comprehensive database of potential graphite competitors was completed, which included in many cases, comparison and bench-marking of costs from published Scoping, PFS and FS studies.

In addition, further contacts were established with potential downstream customers to better understand the optimum markets for the Company's mine production. Given the importance of customer offtake agreements for the financing of any beneficiation plant and the lead time typically required management is already expanding the scope of existing customers dialogues to include additional markets such as China and Japan where customers have reached out to the Company with expressions of interest relating to both investment and offtake.

Corporate Changes

On 30th November, 2015 the Company announced that Non-Executive Board member Ms Melly Sah Bandar resigned and was replaced by Mr Andrew Houtas. Additionally, the Company undertook a number of internal measures relating to a reorganization of the Company's staffing to increase efficiency and reduce costs. Further changes will occur during the first quarter as the reorganization exercise is completed.

On behalf of the board of directors,

Gordon Lewis
Executive Director

For Further information visit our website at
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TENEMENTS HELD AS AT 31 DECEMBER 2015

Set out below is the relevant information in relation to Western Mining Network Ltd tenements as required under ASX Listing Rule 5.3.3.



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IUP No.	Tenement Name	Location	Change in % interest	% Interest as at 31 December
540/307.19	Persada Bumi Rawas	Buol, Sulawesi Tengah	No change	75%
188.45/104/2 014	Mekongga Sejahtera	Kolaka, Sulawesi Tenggara	No change	75% Option
412 dated 30/7/2013	Trans Sulawesi Tenggara	Balai Sebut, Kalimantan Barat	N/A	N/A*
597 dated 30/12/2013	Trans Sulawesi Sejahtera	Balai Sebut, Kalimantan Barat	N/A	N/A*

*the interest is held pursuant to a conditional share purchase agreement with closing subject to the granting of foreign investment approval by the Indonesian Government, the completion of confirmatory due diligence by both parties and any required shareholder approvals.