

21 June 2016



**WESTERN  
MINING  
NETWORK**

## Termination of Agreements & Company Update

- **Termination of option to acquire PT. Mekongga Sejahtera and PT. Eagle Rich Nusantara**
- **Termination of agreement to acquire PT. Grafindo Nusantara**
- **Assessment of Persada Gold Project with a proposed work plan being formulated**
- **Settlement discussions with outstanding creditors ongoing**
- **Capital raising initiatives being considered**

### Termination of option to acquire the Tamboli Graphite Project

Western Mining Network Limited (the "Company") has elected to terminate the option agreement to acquire 75% of the shares in PT. Mekongga Sejahtera, which owns the Tamboli Graphite Project ("Tamboli"). Additionally, the Company has terminated the option agreement to acquire 99% of the shares in PT. Eagle Rich Nusantara. The Company has today sent letters of termination to the relevant counterparties.

As previously announced, the Company recently engaged Geoservices Laboratory ("Geoservices") to conduct the necessary re-assay testwork applying the standard acid leach/roast/LECO method to assess the Total Graphitic Content ("TGC") on samples extracted from Tamboli. The results of Geoservices' analysis indicated that the TGC was not significant and not of a grade to justify further exploration by the Company. The Company also wishes to advise shareholders that the TGC testwork has been confirmed by a further independent analysis conducted by Intertek Laboratory in Jakarta.

Given the disappointing results, the Board has elected not to complete the option agreements to acquire interests in PT. Mekongga Sejahtera and PT. Eagle Rich Nusantara.

### Termination of agreement to acquire PT. Grafindo Nusantara

The Company has elected to terminate the Conditional Sale and Purchase Agreement to acquire 100% of the shares in PT Grafindo Nusantara, which owns the Balai Sebut Graphite Project and an additional exploration asset covering 10,000ha in Jangkang district West Kalimantan.

Over the past 6 months, the Company has conducted due diligence and third party testwork in order to assess the commercial attractiveness of the Balai Sebut Graphite Project. The due diligence and testwork

**WESTERN MINING NETWORK LTD**

**AUSTRALIA**

c/o Mining Corporate Pty Ltd  
Level 11 London House,  
216 St George's Terrace,  
PERTH WA 6000

Tel +61 (08) 9481 0389  
Fax + 61 (08) 9463 6103

**INDONESIA**

17F Tower 2  
Indonesian Stock Exchange Building  
Jl. Jend. Sudirman Kav. 52-53  
Jakarta 12190  
P: +62 21 5291 7491  
F: +62 21 515 7799

[Info@westernmining.net](mailto:Info@westernmining.net)

[www.westernmining.net](http://www.westernmining.net)

**ABN: 63 144 079 667**  
**ASX: WMN**

**BOARD OF DIRECTORS**

**Nathan Taylor**  
Non-Executive Chairman

**Budi Santoso**  
Non-Executive Director

**Andrew Houtas**  
Non-Executive Director

**David Palumbo**  
Company Secretary

program did not yield results, which would justify the Company continuing with the acquisition of PT Grafindo Nusantara. Consequently, the Company has today sent a letter of termination to the relevant counterparties.

### **Persada Gold Project**

On 25 July 2014, the Company through its wholly owned subsidiary PT. WMNI, completed the acquisition of 75% of the shares in PT. Persada Bumi Rawas (PT.PBR). The Company has a Foreign Principle License from the Indonesia Investment Coordinating Board approving the ownership.

PT. PBR is the 100% owner of IUP Exploration No.540/307.19/Distamben dated 12 August 2009 and issued by Regent of Buol ("Persada Gold Project"). The Persada Gold Project is located northeast of Palu in Central Sulawesi, between Toli-toli and Buol. It is approximately 50km east of Toli-toli and covers 5,000ha.

Due to the Company's recent focus on the Tamboli Project, the Company has dedicated limited resources and capital to the Persada Gold Project. However, given the decision to terminate the option to acquire the Tamboli Project, the Company is presently formulating a work plan for the Persada Gold Project. The Company will provide shareholders with detail of the proposed work plan and budget in due course.

### **Creditor Settlement and Funding**

Over the past fortnight, the Board has engaged with the largest outstanding creditors of the Company with a view to agreeing settlement terms. These discussions are ongoing and the Company will advise shareholders once final settlement terms have been achieved.

The Company is also presently considering capital raising alternatives to repair the balance sheet. The Board will update shareholders regarding the capital raising initiatives in due course.

On behalf of the board of directors,

Nathan Taylor  
Non-Executive Chairman

For Further information visit our website at  
[www.westernmining.net](http://www.westernmining.net) or email  
[info@westernmining.net](mailto:info@westernmining.net)



**WESTERN  
MINING  
NETWORK**

**WESTERN MINING NETWORK LTD**

#### **AUSTRALIA**

c/o Mining Corporate Pty Ltd  
Level 11 London House,  
216 St George's Terrace,  
PERTH WA 6000

Tel +61 (08) 9481 0389  
Fax + 61 (08) 9463 6103

#### **INDONESIA**

17F Tower 2  
Indonesian Stock Exchange Building  
Jl. Jend. Sudirman Kav. 52-53  
Jakarta 12190  
P: +62 21 5291 7491  
F: +62 21 515 7799

[Info@westernmining.net](mailto:Info@westernmining.net)

[www.westernmining.net](http://www.westernmining.net)

**ABN: 63 144 079 667**  
**ASX: WMN**

#### **BOARD OF DIRECTORS**

**Nathan Taylor**  
Non-Executive Chairman

**Budi Santoso**  
Non-Executive Director

**Andrew Houtas**  
Non-Executive Director

**David Palumbo**  
Company Secretary