

ASX Announcement

24 March 2021
ASX: WMX



FUNDING UPDATE FOR WILUNA STAGE 1 DEVELOPMENT

HIGHLIGHTS

- Placement of \$7.5 million to sophisticated investors at a price of \$1.00 per share
- Non-Renounceable Entitlement Issue of one new share for every four shares held at a price of \$1.00 per share to raise up to \$31.5 million
- Major shareholders and Executive Chair, Milan Jerkovic, have indicated their intention to take up their Entitlements in full for a combined amount of approximately \$14 million
- The Company's existing financing facility with Mercuria Energy Trading Pte. Ltd. ("Mercuria") contemplates the potential to advance an additional amount of \$40 million intended to contribute to the financing of Wiluna Mining's Stage 1 Development Program, subject to usual Mercuria credit approval processes. A signed, indicative, non-binding term sheet is being progressed, with the intention for financial completion subject to certain Conditions Precedent and mandatory approvals
- Funds raised will be used to:
 - Construct and commission the Stage 1 concentrator and mine (120kozpa production);
 - fund feasibility work associated with the staged Development Program to achieve circa 250kozpa gold production and associated drilling;
 - support Tranche 2 Mercuria debt funding completion; and,
 - general working capital.

About Wiluna Mining

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

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



BOARD OF DIRECTORS

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

CORPORATE INFORMATION

118.6M Ordinary Shares
2.7M Unquoted Options/ZEPS

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Wiluna Mining Corporation Limited (“**Wiluna Mining**” or “**Company**”) is pleased to announce that it has progressed its funding package which, if completed in full, will amount to approximately \$80 million (“**the funding**”). Once completed this will fully fund the Stage 1 Development Plan concentrator and mine development to commissioning, as well as completing the feasibility study, associated drilling, and updated Reserves for Stage 2 of the Development Plan. It is envisaged that the Stage 2 feasibility study will see an increase in Reserves of approximately 500koz and support an increase in the concentrator output from 750ktpa to 1.5Mtpa, and in-turn reach gold production of circa 250kozpa.

Firm commitments for approximately \$7.5 million have been received in relation to a placement at \$1.00 per share (“**Placement**”) to sophisticated investors under the Company’s existing placement capacity (7,419,708 shares pursuant to ASX Listing Rule 7.1 and 50,144 shares pursuant to ASX Listing Rule 7.1A). A potential further amount of up to \$31.5 million will be raised under a one (1) for four (4) Non-Renounceable Entitlement Issue (“**Entitlement Issue**” or “**Offer**”) at \$1.00 per share.

Furthermore, the Company has received intentions to participate for approximately \$14 million relating to the Entitlement Issue by its major shareholders and Executive Chair, Milan Jerkovic.

Assuming the full amount of funds are raised (including the Tranche 2 debt funding), combined with the Company’s operating cash flows, the use of funds will be as follows¹:

- Construction and commissioning of Stage 1 concentrator and associated mine development (to reach 120kozpa production);
- fund feasibility work associated with the staged Development Program to achieve circa 250kozpa gold production and associated drilling;
- support Tranche 2 Mercuria debt funding completion; and,
- general working capital.

¹Alternative allocations of funds would be necessary in the event that all of the funds are not successfully attained. The alternative use of funds will be included in the Offer Document which will be announced on the ASX on or around 1 April 2021.

Key Terms of the Entitlement Issue

Key terms of the Entitlement Issue are set out in the following table.

Nature of Offer	Non-Renounceable Entitlement Issue of New Shares
New Share issue price	\$1.00 per New Share
Offer ratio	One New Share for every four existing shares held on record date
Number of New Shares to be issued	Up to 31,553,877 New Shares
Amount to be raised under the Non-Renounceable Entitlement Issue	Up to approximately \$31.55 million before costs of the offer

Further information regarding the offer along with the offer documents will be released by 1 April.

Eligible Shareholders

Shareholders with registered addresses inside Australia, New Zealand, United Kingdom, Germany, Switzerland, Luxembourg, Canada and United States of America (but only to the extent that such persons are an investor as defined in Rule 501 (a)(1), (2), (3) or (7) under the Securities Act of 1933 (US accredited investors)) who hold ordinary shares in the Company ("**Existing Shares**") on the Record Date ("**Eligible Shareholders**") will be entitled to participate in the Issue.

All Eligible Shareholders will be offered one new ordinary share in the Company ("**New Share**") for every four existing shares held by the Eligible Shareholder, at an issue price of \$1.00 per New Share (Offer). This represents a discount of approximately 8.3% to the last closing price of \$1.09 per share on 19 March 2021.

Key dates

Key dates for the Entitlement Issue are set out in the following table. The dates are indicative only and Wiluna Mining reserves the right to vary them, subject to the Corporations Act 2001 ("**Act**") and the ASX Listing Rules.

Wiluna Mining – Entitlement Offer Timetable	Date
Announcement of Entitlement Issue & Appendix 3B with ASX	Wed 24 Mar 2021
Lodgement of Offer Document and cleansing notice	Thu 1 Apr 2021
Ex-date	Wed 7 Apr 2021
Record Date for determining Entitlements	Thu 8 Apr 2021
Offer document sent out to Shareholders, Notice sent to Ineligible Shareholders & Company announces this has been completed	Tue 13 Apr 2021
Last day to extend the Entitlement Issue Closing Date	Tue 4 May 2021
Closing Date (before 5.00pm WST)	Fri 7 May 2021
Shares quoted on a deferred settlement basis	Mon 10 May 2021
ASX notified of under subscriptions	Wed 12 May 2021
Issue date/Shares entered into Shareholders' security holdings	Fri 14 May 2021
Quotation of Shares issued under the Entitlement Issue on a normal T + 2 settlement basis	Mon 17 May 2021

Information provided in relation to the Entitlement Issue

The Issue is being made without disclosure to investors under Part 6D.2 of the Act, in accordance with section 708AA of the Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

Eligible Shareholders will not receive a prospectus in relation to the Issue but will receive a written invitation providing details on how to take up their entitlement under the Offer. Any decision to acquire New Shares should only be made after making independent enquiries and consulting relevant professional advisers, such as stockbrokers, financial advisers, accountants or solicitors. Eligible Shareholders should have regard to publicly available information about Wiluna Mining before deciding whether or not to acquire New Shares.

Copies of the Company's announcements to ASX can be obtained from its website www.wilunamining.com.au or from the ASX website www.asx.com.au. The Company's ASX code is WMX.

Capital structure on completion of the Entitlement Issue

The exact number of New Shares to be issued may vary and will be dependent on the number of Eligible Shareholders and their entitlements, and the level of acceptances under the Entitlement Issue.

The following table shows the proposed capital structure of the Company on completion of the Entitlement Issue:

Shares	Number
Shares currently on issue	118,745,654
Placement shares	7,469,852
Shares on issue prior to the Record Date of the Entitlement Issue	126,215,506
Shares offered pursuant to the Entitlement Issue	31,553,877
Total Shares on issue after completion of the Entitlement Issue²	157,769,383

Notes:

- This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Entitlement Issue.

Options	Number
Options Currently on issue:	
– Unlisted Options exercisable at \$8.00 each and expiring on 13 February 2024	720,000
– Unlisted zero-priced Options expiring on 31 December 2021	120,187
– Unlisted zero-priced Options expiring on 30 June 2023	867,360
– Unlisted zero-priced Options expiring on 30 June 2024	995,423
Total Options on issue after completion of the Offer	2,702,970

Additional information

New Shares, once issued, will rank equally with the Company's existing shares on issue.

The rights and obligations attached to shares in the Company are set out in Wiluna Mining's Constitution which may be examined free of charge by appointment between 9.00am and 5.00pm on normal business days at the registered office of the Company at Level 3, 1 Altona Street, Western Australia 6005 and in certain circumstances, regulated by the Act, the ASX Listing Rules and the general law.

The Directors reserve the right to place sufficient of the shortfall at their absolute discretion (subject to the ASX Listing Rules) to meet the minimum requirements of the Company.

The Lead Manager to the Placement and the Entitlement Offer is Arlington Group Asset Management.

Foreign shareholders

Shareholders with registered addresses outside of Australia, New Zealand, United Kingdom, Germany, Switzerland, Luxembourg, Canada or United States of America (and US shareholders other than Accredited US Investors) are not eligible to participate in the Entitlement Issue (“**Ineligible Shareholders**”).

An Appendix 3B with respect to the proposed issue of shares pursuant to the share placement and entitlement issue will be lodged following release of this announcement. Offer documentation and a cleansing notice will be lodged with ASX in accordance with the Offer timetable.

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

For further information on Wiluna Mining please contact:

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