

30 September 2015

ASX Announcement

Company Update and Placement Agreement

CEO Update on Operations

WMN has transformed itself in the last year and continues to develop its integrated carbon company business model. Graphite is the definitive 'new material' and can be used in a very broad range of high margin, high value-added applications, nonetheless WMN aims to be much more than just a producer of a raw graphite. Our goal is to use our large base of graphite resources to produce a range of semi-finished and finished graphite and carbon-based products in cooperation with our technology and industrial partners. Whilst we develop our upstream beneficiation and graphitization capability we are at the same time looking to identify segments of the domestic and international graphite markets where we can generate significant returns for our shareholders. Our longer term aim is to develop those businesses both within Indonesia and abroad based around our a core expertise in the production and processing of selected forms of graphite and carbon based materials.

The first step in the process will be the development of mini-plants in both Sulawesi and Kalimantan to produce metallurgical grade and electrical grade graphite. These smaller scale mini plants will use the full industrial process and will produce some five tonnes of metallurgical grade and electrical grade graphite per day. The selling prices of the different grades of metallurgical and electrical graphite produced will vary widely, ranging from less than US\$1000/tonne up to US\$10/kg or US\$10,000/tonne.

The production of lowest grade metallurgical grade products only require the application of more conventional beneficiation techniques including crushing, milling, agitation, flotation etc. whereas the higher value electrical grade graphite products will require more advanced graphitization and crystallization techniques as currently used in the latter processing stages of the production of synthetic graphite. The initial production of those more advanced products will be contracted out through technology partners including Carbon Nano Tech of Korea. WMN's next goal will then be to onshore these more advanced processes as well as, in the coming years, to move further downstream with the establishment of manufacturing facilities for fully finished graphite-based products with industrial partners in our industrial parks in Sulawesi and Kalimantan.

This approach allows WMN to identify and prioritise the most attractive downstream opportunities and to use its capital more efficiently. The aim is to deliver value to you, our shareholders, through the exploitation of the entire carbon value chain rather than just simple mineral extraction and we will report regularly to you on the progress we are making as we move forward.



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BOARD OF DIRECTORS

Christopher Clower
Executive Chairman

Budi Santoso
Executive Director

Gordon Lewis
Executive Director

Roger Pooley
Non-Executive Director

Melly Sah Bandar
Non-Executive Director

Adrien Wing
Company Secretary

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WMN will release a Company Presentation describing the operational strategy of the Company in further detail shortly.

Placement Agreement - \$1 million

In order to finance the initial phase of these exciting initiatives the Company is pleased to announce that it has entered into a Lead Manager and Broker Mandate with CPS Capital Group Pty Ltd ("CPS") [ABN 73 088 055 636 AFSL 294848]. CPS will coordinate and manage, on a best endeavours basis, a proposed capital raising by WMN by placing new fully paid ordinary shares. The final pricing and conditions for this raise will be agreed based on customary market terms and may include free attaching unlisted options exercisable at either the investment price or higher. Such options, if issued, would expire on 30 June 2017 ("Placement"). The Placement will raise up to \$1 million before associated costs. Proceeds from the Placement will be used to advance the construction of the first of the Company's mini-plants as outlined above and to provide working capital.

The Placement will be made under the Company's placement capacity pursuant to Chapter 7 of ASX Listing Rules. The Placement is not subject to shareholder approval but a further announcement will be released when the shares and options are issued. The Company intends to continue financing its operations from the issuance of new shares until such time as alternate forms of financing become available. CPS's mandate provides that they will receive an aggregate 6% fee and the issue of up to 2 million unlisted option exercisable at the placement price and expiring on 30 June 2017.

Release of annual report

The Board will today also release the Company's latest annual report for the year ended 30th June 2015. This report is available on the ASX website and at www.westernmining.net

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For Further information visit our website at www.westernmining.net or email info@westernmining.net



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