

5 August 2022

Australian Securities Exchange Limited
Via ASX Market Announcements Platform

Wiluna Mining Group – First Meeting of Creditors

The Voluntary Administrators* of Wiluna Mining Corporation Limited (Administrators Appointed) and its subsidiaries (Together, “**Wiluna**” or “**Wiluna Mining Group**”) advise that the first meeting of creditors was held on 1 August 2022. Collectively, the creditors resolved to appoint Committees of Inspection to Wiluna Mining Corporation Limited and Wiluna Operations Pty Ltd. The Voluntary Administrators continue to continue to engage with all stakeholders of Wiluna in order to stabilise the operations and continue to operate on a ‘business as usual’ basis.

Voluntary Administrators’ Strategy

The current intention is to continue operating 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 will be dependent on cash flow. The Administrators are also working with technical advisors to review the current mine plan and overall historical performance of the mine’s operations. Investigations into the reasons for the historical performance issues are continuing, as rectifying those issues will be key to maximising a positive outcome being achieved in the administration.

A dual track process is being followed seeking to implement either an asset divestment or recapitalisation. The objective is to maximise the chance of Wiluna, or as much as possible of its operations, continuing in existence; OR, if not possible; an outcome that is better for creditors of Wiluna than immediate liquidation.

Financial Position at Appointment, and Interim Reasons for Appointment

Prior to entering administration, Wiluna experienced production shortfalls and cost increases compared to its mine plan, whilst the underground mining operations were ramping up to full production, resulting in significant creditor build-up and stress on current working capital.

As a consequence, production of gold concentrate was materially below forecast for April 2022, resulting in a revision of forecast production for the June 2022 Quarter.

Wiluna investigated other options to address the working capital deficit (both before and after the recent capital raising). Whilst some of these strategies assisted, ultimately, Wiluna was unable to bridge the funding shortfall.

Wiluna commenced a capital raising on 24 May 2022. \$57.4m was raised. \$7m remains outstanding and, therefore –\$50.4m was raised as a combination of cash, and supplier debt to equity conversion as follows:

Capital Raise Proceeds	(\$'000)
Cash Contribution	30,109,420
Supplier Debt to Equity Conversion	16,800,000
Capital Raise Fees (settled by share issue)	3,447,296
Raised and Received	50,356,716
Funds committed, not received	7,060,000
Total Capital Committed	57,416,716
<i>*ASX Announcement 17 June 2022 states \$63.4m raised</i>	

At the date of appointment, Wiluna held ~\$4.8m cash, excluding bank guarantees, and in addition there was ~3,075 WMT of gold concentrate available for sale.

An independent investigation will be completed by the Administrators into the affairs of Wiluna. This will include, but not limited to, the May 2022 capital raise, the details of the prospectus released in relation to the May 2022 capital raise, and the eventual use of funds received.

Second Creditors Meeting and Final Report to Creditors

Given the complexity of the matter, the Administrators expect the administration to be three-to-six-month process which will be subject to:

- Trading performance and cash dissipation; and
- Outcome of dual track process

At the conclusion of the process, the Administrators are required to issue a Report to Creditors summarising their investigations into Wiluna's affairs, and provide options and a recommendation on Wiluna's future that is in the best interests of all creditors generally. To obtain the necessary time to complete the process and final report to creditors, the Administrators anticipate making an application to the court seeking an order for the extension of the time to hold the second creditors meeting (which would ordinarily be held by scheduled to be held by Wednesday, 24 August 2022). Creditors decide Wiluna's future at the second meeting.

-ENDS-

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The release of this announcement has been approved by the Voluntary Administrators*

*Michael Ryan, Kathryn Warwick, Daniel Woodhouse and Ian Francis, all Senior Managing Directors of FTI Consulting, were appointed as Voluntary Administrators on 20 July 2022.