

## EXTINGUISHMENT OF MULGA TANK ROYALTY E39/2132

### HIGHLIGHTS

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- Binding agreement to extinguish the royalty over tenement E39/2132 at the Mulga Tank Project
  - Tenement E39/2132 is the main portion of the Mulga Tank Project and has been the primary focus of exploration to date
  - 1% NSR royalty over the tenement was part of the original tenement acquisition consideration - this key area of the project will now be royalty free
  - WMG believes the transaction is significantly value accretive and also opens up a range of future royalty funding options to advance the project
  - Purchase consideration of 800,000 shares, 800,000 options and 400,000 performance rights to the original tenement vendor (an unrelated party)
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Western Mines Group Ltd (WMG or Company) (**ASX:WMG**) is pleased to update shareholders on an agreement to extinguish the royalty over tenement E39/2132 at the Mulga Tank Ni-Co-Cu-PGE Project, on the Minigwal Greenstone Belt, in Western Australia's Eastern Goldfields.

WMG has entered into a binding Royalty Extinguishment Deed to buyback and extinguish the 1% NSR royalty over tenement E39/2132 held by the original tenement vendor (an unrelated party to the Company). This royalty formed part of the original tenement purchase consideration (*ASX, Prospectus, 16 July 2021*).

Tenement E39/2132, covering ~80km<sup>2</sup>, is the key part of the Mulga Tank Project, containing the main body of the Mulga Tank Ultramafic Complex. The tenement area has been the primary focus of the Company's exploration work, with 18 diamond holes and 59 reverse circulation (RC) holes drilled since IPO (Figure 1).

The consideration to extinguish the royalty is 800,000 fully paid ordinary shares in the Company (of which 50% escrowed for 12 months), 800,000 options over ordinary shares (with an exercise price of \$0.30 per share, exercisable 4 years from the date of issue) and 400,000 performance rights (convertible into fully paid ordinary shares if the Company's share price 20 day VWAP exceeds \$0.60 per share).

#### Commenting on the Mulga Tank royalty, WMG Managing Director Caedmon Marriott said:

*"This is strategic transaction for the Company that we believe is significantly value accretive - extinguishing the royalty over the main body of the Mulga Tank Complex. It also opens up future project funding opportunities through the re-sale of a royalty to royalty investment groups. Whilst these conversations have commenced there is no guarantee any transaction will eventuate."*

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**Shares on Issue:** 89.48m  
**Share Price:** \$0.155  
**Market Cap:** \$13.87m  
**Cash:** \$1.06m (30/09/23)

## MULGA TANK PROJECT OVERVIEW

The Mulga Tank Project comprises exploration licences E39/2132, E39/2134 and E39/2223 and exploration licence application E39/2299, covering the Minigwal Greenstone Belt, 190km east-northeast of Kalgoorlie.

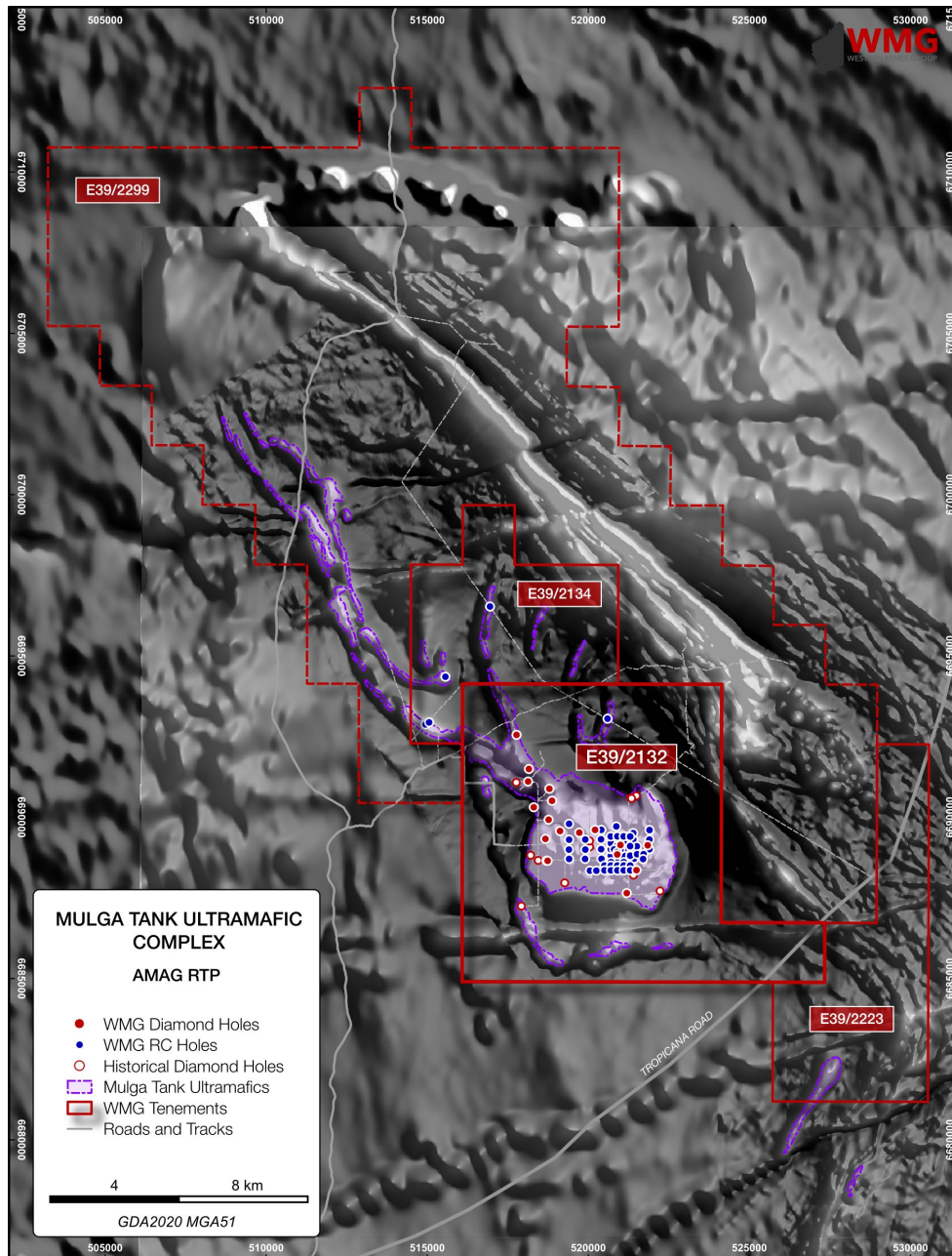


Figure 1: WMG’s Mulga Tank Project Tenements

WMG’s tenement E39/2132 contains the Mulga Tank dunite intrusion, a major ultramafic intrusion and a key feature of the area. This tenement has been the primary focus of WMG’s exploration to date with 18 diamond holes and 59 RC holes totalling ~32,000m drilled since IPO. The Company has previously reported an Exploration Target, in accordance with JORC 2012 (ASX, *Mulga Tank JORC Exploration Target, 5 February 2024*), within this tenement area. The Exploration Target with an estimated range of potential mineralisation is:

**350 to 2,200 million tonnes grading 0.24% to 0.35% Ni, 120 to 150ppm Co with S:Ni 1.1 to 1.3**

The Company has subsequently completed two further phase of RC drilling both infilling within (ASX, *Completion of Phase 2 RC Drilling Commencement of EIS3, 8 April 2024*) and expanding outside (ASX, *First 19 Phase 3 RC Holes Complete at Mulga Tank, 2 September 2024*) the Exploration Target area.

The Company's tenement application E39/2299, previously acquired from Duketon Mining (ASX, *Acquisition to Expand Flagship Mulga Tank Ni-Cu-PGE Project, 8 November 2021*) and tenement E39/2134, acquired from Dynamic Metals (ASX, *WMG Consolidates Entire Mulga Tank Complex, 3 October 2023*), contain interpreted ultramafic bodies, thought to represent extrusive komatiite channels emanating from the main Mulga Tank dunite intrusion. The first regional EIS co-funded RC drilling within tenement E39/2134 recently confirmed this interpretation by encountering fertile high MgO B-zone olivine cumulate rocks with visible pentlandite mineralisation (ASX, *Assays and Petrology Confirm Fertile Komatiite System, 3 December 2024*)

## **SUMMARY OF PROPOSED TRANSACTION**

The Company has signed a binding Royalty Extinguishment Deed with the original tenement vendor and royalty holder of tenement E39/2132 (an unrelated party to the Company) in order to extinguish the 1% NSR royalty over tenement E39/2132.

The consideration payable to the royalty holder will be 800,000 fully paid ordinary shares in the Company (400,000 of which have been voluntarily escrowed for 12 months from the date of issue), 800,000 options over ordinary shares (with an exercise price of \$0.30 per share, exercisable 4 years from the date of issue) and 400,000 performance rights (convertible into fully paid ordinary shares if the Company's share price exceeds a 20 day VWAP above \$0.60 per share).

Completion and settlement of the transaction is expected to occur within 5 days or such other date as agreed between the parties.

The Company looks forward to updating shareholders on the continuing progress at Mulga Tank as our exciting exploration program continues

**For further information please contact:**

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*This announcement has been authorised for release to the ASX by Dr Caedmon Marriott, Managing Director*

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**Board**

**Rex Turkington**  
*Non-Executive Chairman*

**Dr Caedmon Marriott**  
*Managing Director*


**Francesco Cannavo**  
*Non-Executive Director*

**Dr Benjamin Grguric**  
*Technical Director*

**Capital Structure**

Shares: 89.48m  
Options: 19.75m  
Share Price: \$0.155  
Market Cap: \$13.87m  
Cash (30/09/24): \$1.06m

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**ABOUT WMG**

Western Mines Group Ltd (ASX:WMG) is a mineral exploration company driven by the goal to create significant investment returns for our shareholders through exploration and discovery of high-value gold and nickel sulphide deposits across a portfolio of highly-prospective projects located on major mineral belts of Western Australia.

Our flagship project and current primary focus is the Mulga Tank Ni-Co-Cu-PGE Project, a major ultramafic complex found on the under-explored Minigwal Greenstone Belt (100% WMG). WMG's exploration work has discovered a significant nickel sulphide mineral system and is considered highly prospective for globally significant Ni-Co-Cu-PGE deposits.

The Company's primary gold project is Jasper Hill, where WMG has strategically consolidated a 3km mineralised gold trend with walk-up drill targets. WMG has a diversified portfolio of other projects including Melita (Au, Cu-Pb-Zn), midway between Kookynie and Leonora in the heart of the WA Goldfields; Youanmi (Au), Pavarotti (Ni-Cu-PGE), Rock of Ages (Au), Broken Hill Bore (Au) and Pinyalling (Au, Cu, Li).

**COMPETENT PERSONS STATEMENT**

The information in this announcement that relates to Exploration Results and other technical information complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Dr Caedmon Marriott, Managing Director of Western Mines Group Ltd. Caedmon is a Member of the Australian Institute of Geoscientists, a Member of the Society of Economic Geologists and a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Caedmon consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

**DISCLAIMER**

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which WMG operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside WMG's control.

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