WILUNA MINING

Annual Report 2021

AWAKENING THE SLEEPING GIANT

WILUNA MINING

Awakening the Sleeping Giant

Company Directory

DIRECTORS
Milan Jerkovic
Executive Chair

Greg Fitzgerald
Non-Executive Director

Sara Kelly
Non-Executive Director

Hansjörg Plaggemars
Non-Executive Director

Colin Jones
Non-Executive Director

Lisa Mitchell
Non-Executive Director

COMPANY SECRETARY
Dan Travers

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
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West Perth WA 6005

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SECURITIES EXCHANGE LISTING
Australian Securities Exchange
Code: WMC

SECURITIES ON ISSUE
Ordinary shares: 158,307,284
Unlisted options: 2,096,737
Zero Exercise Price Options: 1,515,191

AUDITOR
RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

BANKERS
National Australia Bank
100 St Georges Terrace
PERTH WA 6000
ABN: 18 119 887 606

Contents

> **With continuing improvements in operating performance, and new proceeds from debt and equity transactions, Wiluna Mining was able to continue to improve its balance sheet and significantly advance an aggressive development profile.**
>
> **Milan Jerkovic, Executive Chair**

FY 2021 Company Highlights

Production

51,552 oz's
@ AISC of A$1,794/oz

FY2021 Net Profit

$20M
2020 $14M

2021 Capital Investment

$99m invested into the development of our assets.

Ore Reserves

1.3Moz
37.1 MT @1.08 g/t

Mineral Resources

Wiluna Mining Centre
5.78Moz
60.07MT @2.99 g/t

Wiluna Mining Operation
6.98Moz
107.38MT @2.02 g/t

Other highlights

Stage 1 on track to be commissioned in Q2 FY2022; targeting full production run rate of 120kozpa by end of FY2022.

Construction of concentrator continues by GR Engineering Services; work is 90% complete and on budget

$99 million net invested in development activities in FY2021 including resource drilling, sustaining capital, infrastructure and Stage 1 capital

Sulphide Underground Development completed in FY2021 was 4,516 metres

Golden Age Underground Development completed in FY2021 was 1,758 metres

Stage 2 Feasibility Study continues; completion expected Q3 FY2022

FY2021 drilling was 112,000m

Executive Chair's Letter

It gives me great pleasure to report on the continued development of Wiluna Mining for the Financial Year ended 30 June 2021.

MILAN JERKOVIC
Executive Chair

In last year's annual report, I described the 2020 Financial Year as a watershed year for Wiluna Mining. If 2020 was a watershed year, then 2021 was a progressive year. We not only built on the solid foundations laid out in 2020 but we have taken steps to transform and improve into what is now a very impressive company.

I am especially pleased that we were able to record this progression in very challenging times.
The onset of the COVID -19 pandemic threw several curve balls at all of us in the mining community. It is a source of great pride how well the team at Wiluna Mining adapted. In fact, the entire industry managed to work its way through these difficulties and uncertainties that confronted us on what seemed like a weekly basis.

That we have been able to move forward so well is a great credit to the many people at Wiluna Mining. They have remained focused, yet able to adapt when necessary, and I thank them all for their hard work, diligence and collegiality.

At Wiluna we like to say we do things the Wiluna Way. The Wiluna Way is our creed which contains our mission statement, our vision, our strategy and our way of doing things.

It outlines the strategic steps required for us to transform from a modest gold producer into a high performing Tier 1 gold company operating in a Tier 1 gold jurisdiction. The Wiluna Way also includes the four pillars on which our business is focused.

Our mission is to create long-term shareholder value through the identification, development and production of regional, geologically superior, natural resource opportunities.

Our vision is to build a respected mining company that provides superior earnings and sustainable capital growth, by applying both skill and capital in a manner that compliments the risk reward profile of our shareholders.

Our four pillars of our business are:

- **People and ESG**
- **Growth**
- **Operations**
- **Discovery**

> If 2020 was a watershed year, then 2021 was a progressive year.

The Wiluna Way encourages each of us to approach every task with courage, integrity, tenacity, innovation, teamwork, transparency and with compassion.

In last year's report I spoke of the 24-month strategy that commenced in September 2019 to transition the company's fortunes and generate sustained shareholder value.

Our five-point strategy:

1. Repair and strengthen our balance sheet
2. Increase and maintain immediate operational cashflows
3. Transition to include gold concentrate production
4. Expand gold production by undertaking feasibility to fully develop a 250kozpa, long-life gold operation
5. Define the large Wiluna gold system to its full potential via discovery.

I am pleased to advise shareholders that we have completed or are progressing all the points outlined in the strategy.

As we progress, we continue to plan the next phase of our strategy as defined in The Wiluna Way. Our focus for the next 36 months will cover:

1. Maximum operating cashflow to support the three-year orderly development of Wiluna
2. Stage 1 project execution and production ramp up during FY 2022
3. Delivery of the Stage 2 project business plan and execution strategy including Feasibility study completion and financing during FY 2022
4. Continuation of under the headframe (at Wiluna and Regent) and regional exploration
5. Leadership development and intra-company communication improvements
6. Completion and implementation of our People and ESG framework.

In addition to our growth story showing strong progress, FY 2021 provided a number of other highlights. For the second consecutive year, the company made a profit. Net profit after taxation for the year ended 30 June 2021 was $20 million, up 43% on last year's $14 million. Gross profit from operations was $21 million as opposed to $1 million in FY 2020 (net profit last year was boosted by profit from asset sales of $13 million). Revenue increased from $127 million to $131 million. AISC costs improved from $1,950/oz in 2020 to $1,794/oz in 2021. Most of the ore treated in FY 2021 was mined from our open pits. Open pit mining ceased in February 2021 which has helped to lower our costs of production.

Net cashflow from operations during FY21 was $34 million, up $20 million on 2020. This strong operating performance allowed us to:

- Strengthen our balance sheet and deliver an additional $82 million in net assets
- Improve our working capital position by $51 million
- Invest $99 million into our staged development program including construction of the concentrator, underground mine development, pre-production mining activities and resource definition drilling

Other highlights for the year included the appointment of new directors to strengthen the composition of the Board. We welcomed Hansjorg Plaggemars and Colin Jones to the Board.
Post the year end but prior to the publication of this report, Lisa Mitchell joined the Board. All three directors bring significant experience and diverse skill sets. Two are located in Europe which will assist us greatly, given most of our shareholders are based there and we plan to list on the London Stock Exchange ('LSE') Main Board later this Financial Year. I ask shareholders to welcome Hansjorg, Colin and Lisa to WMC.

I thank the two retiring directors – Tony James, who retired to take up a full-time position as Managing Director with Galena Mining Ltd, and Neil Meadows who will remain with Wiluna as a full time executive in the position of Chief Operating Officer. Neil will continue to oversee operation, the Staged Development Program and the ongoing Feasibility Studies.

Further key business development activities include:

- Repayment of the Mercuria Tranche 1 A$21 million debt
- Drawdown of the Mercuria Tranche 2, US$42 million four-year loan facility
- Substantive Mineral Resource and Ore Reserve updates (including a 142% increase in underground Ore Reserves)
- A successful seismic program
- A new Alliance Agreement with world class, underground mining group Byrnecut
- Continued progress with our Alliance Agreement with the Polymetal Group
- Continued and significant progress with Safety, People and ESG platforms to which we remain totally committed
- Ongoing progress towards an LSE Main Board Listing.

We would not be able to operate successfully without the enthusiasm, the efforts and the performance of our people. I sincerely thank each person's contribution, irrespective of their role or position.

Figure1: (the now completed Williamson Pit (now full of water) from the air.

WMC aims to keep people safe and provide a great opportunity for them to strive and develop successful careers. Their efforts and experiences will help Wiluna to become a long-term, world class, safe, compliant, clean and profitable operation, thereby creating real wealth for all our people, owners and partners.

I respectfully acknowledge the Martu People as the traditional owners and custodians of the land the Wiluna Mining operation sits on.

I am also very grateful to be sharing our journey with all our broader stakeholders. These include our shareholders, our alliance partners, our suppliers and our supporters.

My thanks to everyone for your contribution and for your continued support.

Regards,

Milan Jerkovic
Executive Chair
Wiluna Mining Corporation Limited

Review of Operations

SUMMARY

The 2021 Financial Year saw Wiluna Mining continue developing its Staged Development Program which is aimed at developing the Wiluna Mining Operation to become a Tier 1 gold asset located in a Tier 1 jurisdiction.

The Company has four pillars to its business:

OPERATIONS

- During the year the Company continued to operate its 2.1Mtpa CIP plant, processing free-milling ore producing 51,552oz @AISC of $1,794/oz. Most of the ore processed was from the Williamson open pit with smaller amounts of ore coming from our underground operation Golden Age. Mining at Williamson finished in Q3 FY 2021 and for the rest of the year we processed the stockpiles from Williamson along with some ore from Golden Age.
  At the beginning of December 2021, the treatment of ore will primarily be processed through the new concentrator. The commissioning will take place in December 2021 and the ramp up process to full production will take approximately 5-6 months.

GROWTH

Growth to be delivered in two stages:

- Stage 1 – Gold doré, gold in concentrate production and tailings retreatment of 120kozpa – Commissioned in December 2021 (tailings retreatment February 2022). Ramp up to full production 5-6 months
- Stage 2 – Gold doré, gold in concentrate and tailings retreatment production of +250kozpa – Subject to conclusion of Feasibility Study expected to be completed in March 2022 and Board approval; expected date of commissioning CY 2024

DISCOVERY

- 'Under the headframe' exploration
- Regional exploration

CORPORATE PEOPLE & ESG

- Good, smart people and strong leaders; safe and responsible culture; solid, respectful and trusting relationships with our traditional owners, partners and community, and high ethical standards. We want to generate maximum value for our shareholders in a safe, socially and environmentally responsible way.

In addition to the four pillars of business, Wiluna Mining has finalised its 24 month, five-point strategy of creating shareholder value and turning the Company's fortunes around. When it commenced in September 2019 the strategy set out to:

1	**Strengthen the Balance Sheet**	✔ ONGOING
2	**Increase and maintain immediate operational cashflows**	✔ ONGOING
3	**Transition to include gold concentrate production**	✔ UNDERWAY COMMENCING DEC 2021
4	**Expand gold production by undertaking feasibility to fully develop a greater than 250kozpa, long-life gold operation; and**	✔ UNDERWAY FS COMPLETE BY Q3 FY 2022
5	**5. Define the large Wiluna gold system to its full potential via discovery**	✔ ONGOING

To repair and strengthen our balance sheet, we have, in the past 24 months:

- Raised approximately $200 million, made up of $123 million in equity ($63 million in FY 2021) and $77 million in debt. This allowed us to repay debt which was owed to our mining contractor;
- Repaid our tranche 1 debt to Mercuria;
- Drawn down on tranche 2 dept of US$42 million from Mecuria;
- Normalised our other creditors;
- Increased our working capital buffer
- Enabled us to invest over $160 million on development. $99 million of this was invested in FY 2021. This includes the concentrator and plant, underground mine development, infrastructure, as well as resource definition drilling and developing Stage 1 and commencing Stage 2 as well as investing in the Stage 2 Feasibility Studies.
- Made a profit in the past two financial years. This have contributed greatly to assisting with the balance sheet repair; and
- Maintained a strong balance sheet and cashflow as we plan for Stage 1 Commissioning to take place over the first six months of CY 2022

To increase and maintain our operational cashflows, we have:

- Maintained a specific focus on operations to maximise cashflows over ounces produced in FY 2021. This has allowed us to generate $34 million in net cash inflows from operating activities, an increase of 143% over the same figure in FY20. Despite the current transitional period, we are confident that, once the concentrator is commissioned (Q3 & 4 FY22), there will be steady cashflows to take us through the execution of Stage 2. At this point, scale will deliver substantial ongoing cashflows.

To transition to include gold concentrate production, we have:

- Made very good progress with the construction of the concentrator, as announced in our various ASX releases over the past 12 months and as you will see from the photos in this report. As I write, it is 90% completed. The final phase will see the installation of the flotation cells that are due to arrive from India in mid-October after several months delay (See figures 6-9).

To expand gold production, we have:

- Advanced our Stage 2 Feasibility Study to fully develop a 250kozpa, long-life gold operation. We expect to complete the study by the end of Q3 FY 2022.

To define the large Wiluna gold system, we have:

- Continued to identify this potential. The results from over 112,000 metres of drilling during FY21 and over 175,000 metres of drilling in the past two financial years have been outstanding with a constant flow of excellent high-grade results.

The next phase in our Staged development requires a fresh strategic approach and our focus for the next 36 months will include:

1. **Maximum operating cashflow to support the three-year orderly development of Wiluna**
2. **Stage 1 project execution and production ramp up during FY 2022**
3. **Delivery of the Stage 2 project business plan and execution strategy including Feasibility study completion and Financing during FY 2022**
4. **Continuation of under the headframe (at Wiluna and Regent) and regional exploration**
5. **Leadership development and intra-company communication improvements**
6. **Completion and implementation of our People and ESG framework.**

Our goal is to be a Tier 1 gold producer located in a Tier 1 location.

Gold production for FY2021 was 51,552oz at an AISC of A$1,794/oz. For the second consecutive year, the company made a profit. Net profit after taxation for the year ended 30 June 2021 was $20 million, up 43% on last year's $14 million. Gross profit from operations was $21 million as opposed to $1 million in FY 2020 (Net Profit last year was boosted by profit from asset sales of $13 million).

Revenue increased from $127 million to $131 million. AISC costs improved from $1,950/oz in 2020 to $1,794/oz in 2021. Most of the ore treated in FY 2021 was mined from our open pits. Open pit mining ceased in Q3 FY 2021 which has helped to lower our costs of production.

Net cashflow from operations during FY21 was $34 million, up $20 million on 2020. This strong operating performance allowed us to;

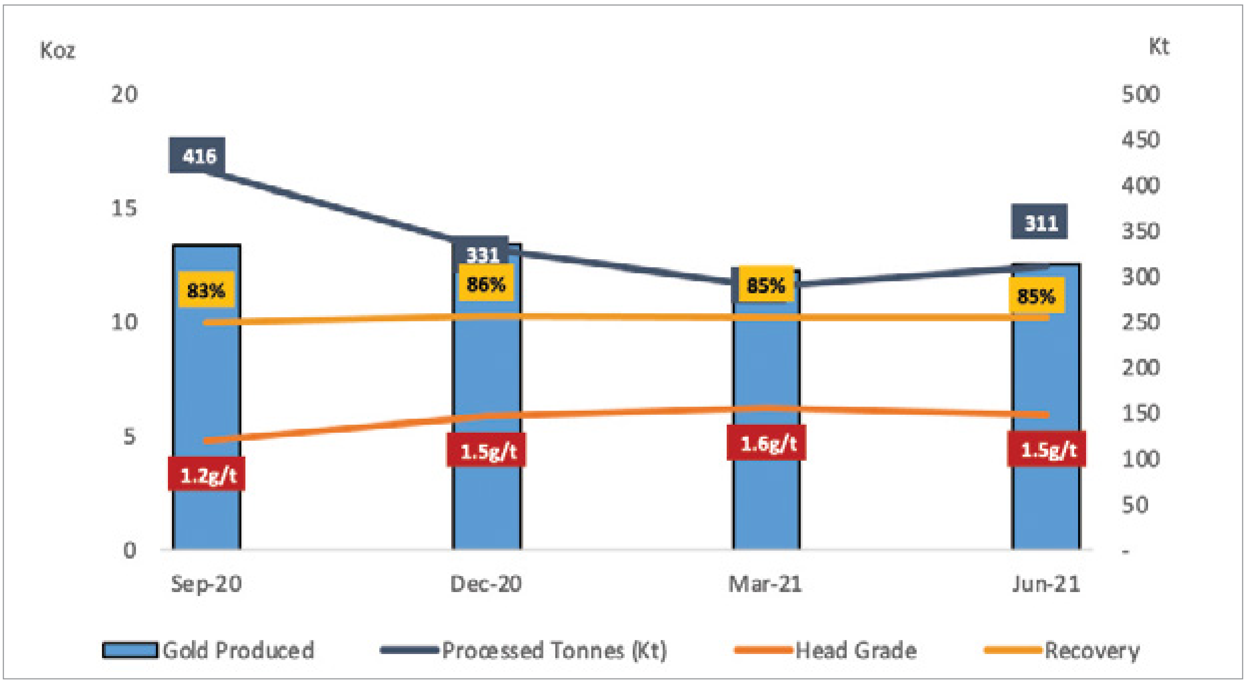
- Strengthen our balance sheet and deliver an additional $82 million in net assets
- Improve our working capital position by $51 million
- Invest $99 million into our staged development program including construction of the concentrator, underground mine development, pre-production mining activities and Resource definition drilling.

Operations

Table 1: FY21 Production & Costs Summary

Production	UNIT	SEP 20 QTR	DEC 20 QTR	MAR 21 QTR	JUN 21 QTR	FY21 YTD
Open Pit Mining						
Total Mining	bcm	1,034,131	405,732	54,114	-	1,493
Strip Ratio	w:o	2.5	0.6	0.01	-	1.5
Ore Mined	t	724,802	710,755	138,555	-	1,574,112
Mined Grade	g/t	1.2	1.3	1.3	-	1.2
Underground Mining						
UG Development (inc. Rehab)	m	773	1,988	1,255	2,258	6,274
Ore Mined	t	22,032	21,755	18,782	32,382	94,951
Mined Grade	g/t	3.9	2.7	1.9	2.7	2.8
Total Ore Mined	t	746,834	732,510	157,337	32,382	1,669,063
Total Mined Grade	g/t	1.2	1.3	1.4	2.7	1.3
Total OP & UG Contained Gold	oz	29,651	31,209	7,150	2,811	70,820
Processing						
Tonnes Processed	t	415,710	330,981	288,520	310,734	1,345,945
Grade Processed	g/t	1.2	1.5	1.6	1.5	1.4
Recovery	%	83%	86%	85%	85%	85%
Gold Produced	**oz**	**13,360**	**13,398**	**12,271**	**12,524**	**51,552**
Gold Shipped	oz	12,812	13,459	12,737	12,252	51,260
Gold Sold	*oz*	*12,108*	*12,823*	*12,809*	*12,782*	*50,522*
Achieved Gold PRice	*A$/oz*	*2,584*	*2,633*	*2,639*	*2,651*	*2,627*
Costs						
Mining - net of costs capitalised to pre-production	A$oz	1,468	972	969	140	891
Processing	A$oz	680	631	649	743	675
Site Administration	A$oz	147	186	159	11	127
Stockpile movements	A$oz	(499)	(411)	229	310	(102)
Royalties, Refining Costs & Silver Sales	A$oz	153	140	148	149	147
Sustaining Capital Expenditure	A$oz	36	116	18	51	56
Overhead Costs	A$oz	27	42	33	(33)	18
Other	A$oz	0	0	(75)	0	(18)
All-in Sustaining Costs Per Ounce	**A$oz**	**2,012**	**1,675**	**2,130**	**1,371**	**1,794**

Table 2: Wiluna Gold Production



- Mining activities at Williamson were completed as planned in Q3 FY 2021. Stockpiled ore from Williamson continued to provide most of the feed for processing from February until June 30. Williamson provided approximately 1.2Mt of mill feed in FY 2021.
- Production from the underground operations at Golden Age were re-balanced during the year as we prioritised underground development on Stage 1 rather than mining free milling ore from the underground.
- Sulphide Underground Development completed in FY 2021 was 4,516 metres.
- Golden Age Underground Development completed in FY 2021 was 1,758 metres.

During the year there was substantial refurbishment and upgrading of the three mills as well as the crushing circuit designed to improve the performance of the front end crushing and milling circuit in time for the commissioning of the concentrator in December 2021.

Wiluna Mining is nearing the end of the 24-month transitional period concluding in December 2021 when the commencement of gold production from the Company's higher grade, long dated underground sulphide Mineral Resources is scheduled to begin. During the transition period, the Company has successfully focused on maximising cashflow which has been successful in FY 2021 where our ounces were down by over 10kozpa from 2020 but our AISC decreased from 2020 and we were more profitable.

Figure 2: Williamson Pit during the final stages of mining.

Growth

The Wiluna Mining Operation is currently in development with a two-staged, 3-year development plan underway to transform Wiluna from a modest, cashflow positive producer of free milling ore via a conventional CIP plant into a multi circuit operation producing circa 250kozpa. On completion, the staged development plan will enable Wiluna to treat all the ore types at Wiluna through four processes including:

- Existing 2.1 Mtpa CIP process plant to produce gold dore;
- 750,000 tpa flotation concentrator which is in construction and will be commissioned in December 2021 scaling up to 1.5 Mtpa capacity by the end of FY 2024;
- Gravity circuit which ultimately produces gold dore; and
- Tailings retreatment plant which links tailings reclaim and reslurrying with the existing CIP circuit, which is also processing flotation tailings, to produce gold dore.

Stage 1 development is defined at a production profile of 120kozpa. The final capacity and shape of the Stage 2 development at the Wiluna Mining Operation will depend on the conclusions from the Feasibility Study currently taking place. This Feasibility Study includes significant Resource drilling which is aiming to add an additional 500koz to our current underground Ore Reserve of 661koz @ 4.74 g/t by the end of CY 2021.

Table 3: Two Staged Expansion Snapshot

Two Staged Expansion Snapshot	
Stage 1	Commissioned December 2021, ramped up Q3 and Q4 FY 2022
Production	120,000 ozpa concentrate/doŕe (approximately 30,000 ozpa doŕe)
Processing Rate	750,000 tpa sulphides and approximately 2,000,000 tpa tailings re-treatment
Estimated AISC/oz	US$1,150-$1,200/oz*

Stage 2	Feasibility Study completion expected Q3FY 2022 Targeting commissioning Q1 FY 2024
Planned Production	250,000 ozpa concentrate/doŕe (approximately 50,000 ozpa doŕe)
Processing Rate	1,500,000 tpa sulphides and approximately 2,000,000 tpa tailings re-treatment

*Expected improvements in AISC to result from increased grade and reduction in development cost per tonne mined.

The Wiluna Mining Operation also has significant exploration and discovery potential within its 1,600km² tenement area, both 'under the headframe' at the Wiluna Mining Centre, and regionally. The Company is progressing multiple targets with million-ounce discovery potential such as the three additional well-defined mining centres at Regent, Lake Way and Matilda, all with stand-alone, long-life mining potential.

A key business imperative of Wiluna's plan going forward is to minimise our environmental footprint and create a more sustainable future operation.

To this end, we are pursuing more environmentally friendly processing routes, undertaking process and mining efficiency studies and investigating the use of renewable energy solutions to meet our increasing energy demands. In support of this strategy the Company has installed equipment to acquire wind data for a renewable energy power generation study still slated to commence in 2022.

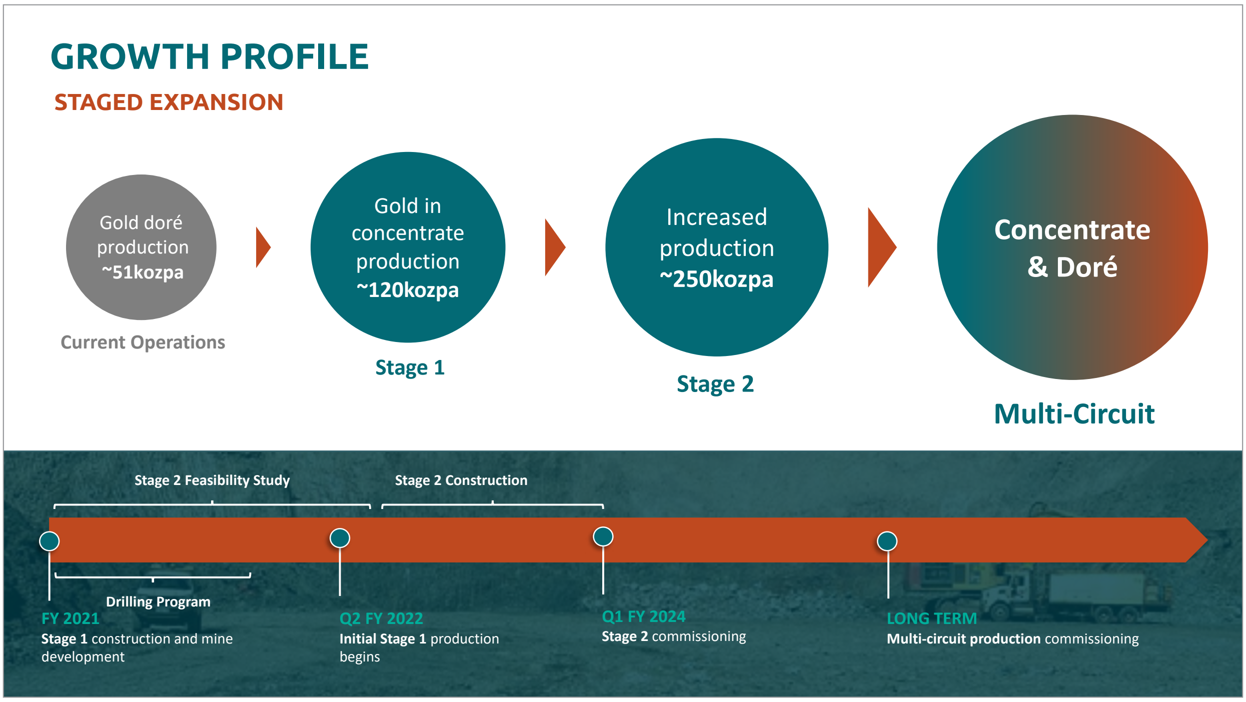


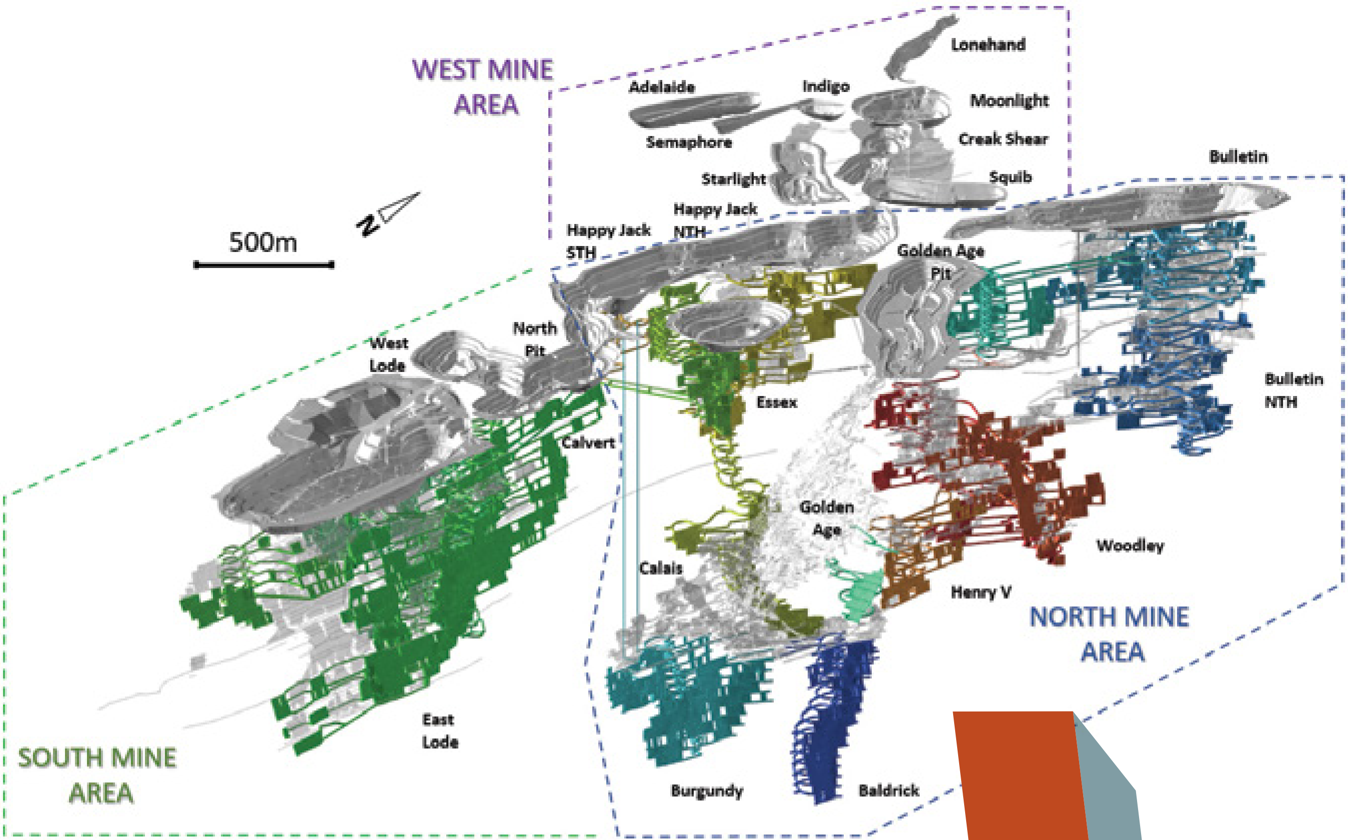
Figure 3: Growth Expansion profile

Offtake agreements for 100% of the gold concentrate for the first three years of production have been secured with Trafigura and London-listed Polymetal Group.

The Wiluna Mining Centre is divided into three geographical areas (see below), centred on underground mine portals and planned mining areas of the Stage 1 Sulphide Development plan. Mining is planned to commence at the Wiluna North Mine area via the existing Bulletin Decline, and two existing declines at the Happy Jack deposit, and then extend to the Wiluna South Mine area via two additional existing declines in East Pit. The Stage 1 plan focusses on high-grade sulphide ore bodies close to existing decline access and less than 600m deep, leading to rapid low-cost access to ore.

Drilling 'under the headframe' at the Wiluna Mining Centre in support of the Sulphide Development Plan delivered consistent outstanding results. This drilling will assist the Company to convert Inferred Resources to the Indicated category and convert Resources to Reserves at areas to be mined in the first 1 to 5 years.

Figure 4: Map of the Wiluna Mining Centre. Stage 1 sulphide mining areas are shown coloured.



Stage 1 Development

Flotation Plant

The Company's 750ktpa Stage 1 Flotation Plant Construction program continues to progress achieving key milestones over the last 6 months.

Overall construction completion is approximately 90% complete as activities ramped up during this period. June and July saw the previously predicted mobilisation of mechanical, piping, and electrical trades personnel to site. All design and procurement activities are now complete. Current milestones are:

- Concrete: 100% complete
- Structural: 90% complete
- Mechanical: 70% complete
- Piping & Elect: 50% complete

The figures below show construction progress as of the end of September 2021 with all major components, except for the flotation cells delivered to site and in many cases installed. The filter is due on-site mid-September 2021 and the flotation cells for which construction is now complete are due to be delivered to site mid October 2021 for immediate installation.

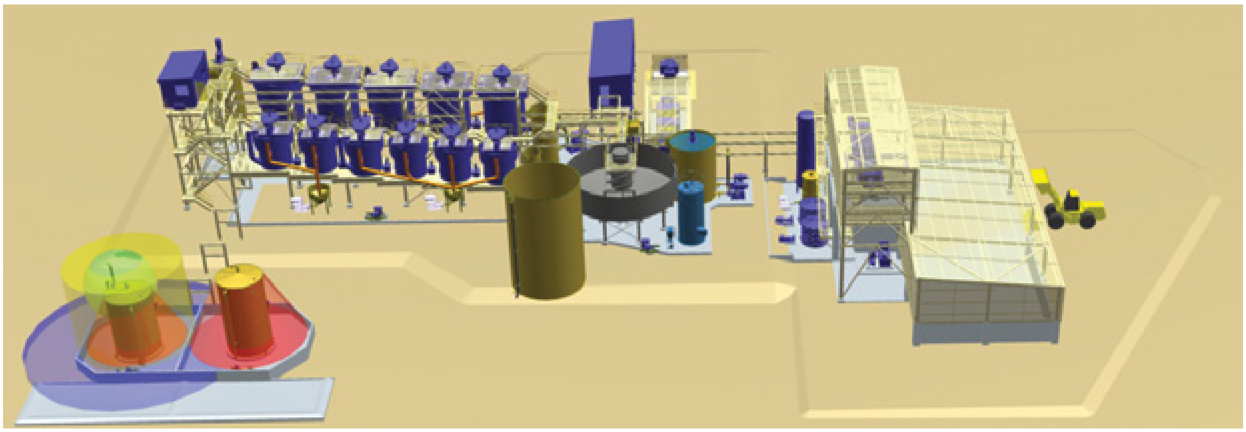


Figure 5: Stage 1 Concentrator 3D model

At this stage commissioning will take place in early December 2021 (a delay of two months) and full ramp up is expected to take 5-6 months.

Concentrator: Timeline of construction

1

Feb 2021

Initial earth works commenced

2

Mar 2021

Concrete pouring commenced

Concentrator: Timeline of construction

3

Mar 2021

Ongoing concrete pouring

4

Apr 2021

Steel work commenced

5

May 2021

Bagging shed under construction

6

Jul 2021

Tank painted in 'Wiluna Teal'

7

Aug 2021

Control Room installed

8

Oct 2021

Concentrator 90% complete

Stage 1 Layout

Below: Oxide Plant modified for sulphides and Wiltails

- Utilising existing crushing/grinding to provide flotation feed.
- Flotation concentrate for export
- Flotation tailings for CIL
- Add reclaimed tailings to utilise full capacity of CIL circuit.

Underground development

Figure 6: Underground Mine Development – new infrastructure and equipment

Underground operations continue to ramp up with the focus on continuing the progressive rehabilitation of existing accesses and infrastructure to establish initial stoping areas for the commencement of concentrate production from the Stage 1 concentrator.

Mining operations in the Bulletin and Happy Jack mines have continued to progress with infrastructure upgrades and development accelerating.

- Capital development in the Bulletin Upper area continued on multiple levels with first ore drives having delivered sulphide ore in August.
- Mining of the first 2 sublevels for sulphide ore development has commenced with first stope ore expected in October/November.
- Development of a decline in the Woodley lode is ongoing to enable establishment of diamond drill platforms to further define Resources in this area.
- Happy Jack North decline rehabilitation continued with nearly 200 m completed over July and August.
- Portal sets have been constructed for the decline portal at Happy Jack South and rehabilitation in the decline will commence in September.
- Sulphide Underground Development completed in FY 2021 was 4,516 metres
- Golden Age Underground Development completed in FY 2021 was 1,758 metres
- Approximately 15,000 t of sulphide development ore has been stockpiled on surface in preparation for Sulphide Plant commissioning.

Mine planning and schedule improvements to support delivery during the development and production ramp up are well advanced and improvements to the mine infrastructure and services backbone are gaining momentum with recent activities including:

- A comprehensive plan has been developed for upgrading the high voltage (HV) power supply to the mine. This includes replacing current 1MVA

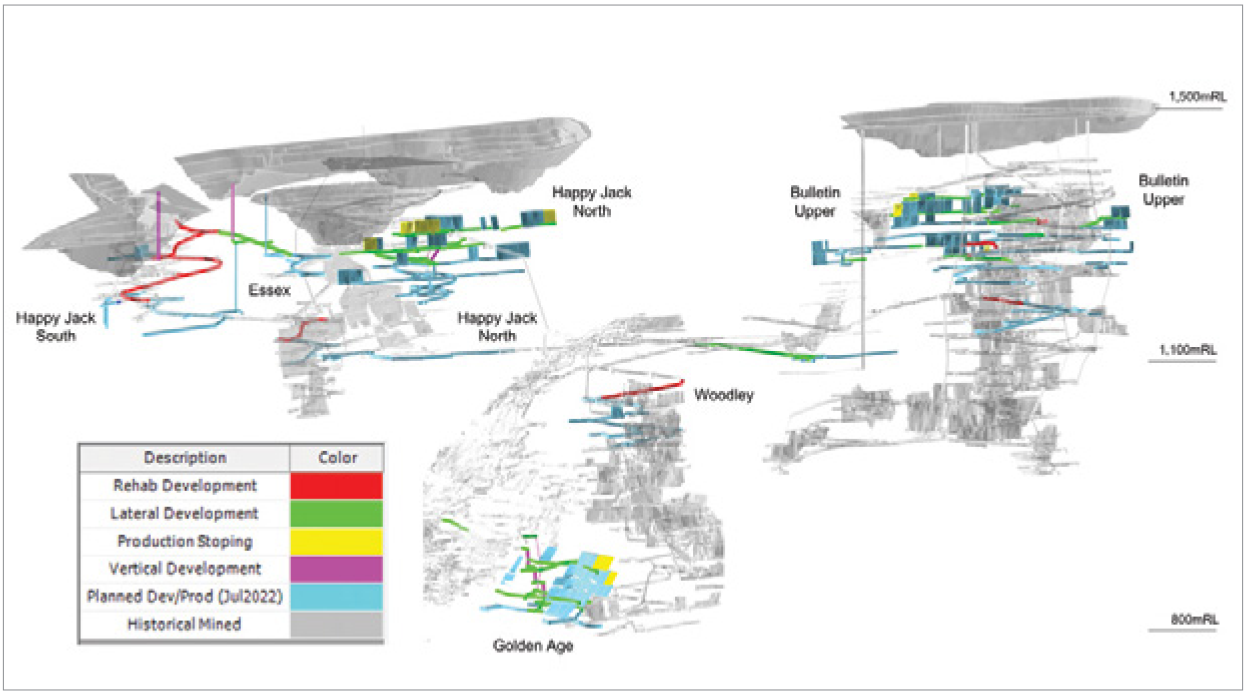


Figure 7: Underground development

substations with 2MVA substations (the first installed in late May) and new HV feeder lines via boreholes to ultimately establish a ring-main power supply.

- A program to seal off old workings has been completed resulting in an increase in mine air volumes and quality.
- To match the planned increase in mining activities upgrades to the primary fan systems are scheduled in the coming months.
- A comprehensive assessment of the ground support in the dewatered areas of the Bulletin decline has been completed and priority areas identified for rehabilitation. Work is underway to rehabilitate the high priority areas identified.
- Upgrades to the multi-stage mine water pumping system continued with a program in place to substantially increase the dewatering rate from Bulletin in particular. Plans to begin pumping out Happy Jack South are currently underway and will begin in line with the commencement of decline rehabilitation.

Upgrades to mine services including new larger diameter air and water service lines in the declines have been installed together with the purchase and installation of two new air compressors.

Wiltails Project Update

The Wiltails Project has an Ore Reserve of 31.6Mt @ 0.6g/t for 579koz located in three historical tailings dams and four open pits. The highest financial return reserves are located in the two tailings storage facilities immediately adjacent to the existing processing facilities – TSF H and TSF C.

Working with MACA Interquip, plant layout and capital cost estimation was completed during August. The scope of work includes provision of:

- A feed bin and conveyor
- A trommel to repulp the tailings using flotation tailings
- A lime slaking circuit for pH adjustment utilising existing equipment
- A pumping system to send the tailings slurry to the existing CIP leach circuit

Dry tailings will be excavated from the dams and hauled by truck to the Wiltails plant before being fed into the feed hopper. All works will be completed utilising WMC employees and equipment. Commissioning is currently anticipated for Q3 FY 2022 following obtaining environmental approvals.

Figure 8: Wiltails Project Tailings Scrubber

Mineral Resource and Ore Reserve Development Program

Resource development drilling continued throughout the year utilising up to 8 rigs to complete 112,428 metres of additional drilling up to 30 June 2021. The focus of the drilling has been to increase the level of confidence in the Mineral Resource at the Wiluna Mining Centre towards updating the Reserves and strengthening the mine plan.

In November, the Company published a global Mineral Resource ranging from 74.4 Mt @ 2.29 g/t for 5.47Moz to 154Mt @ 1.63 g/t for 8.04 Moz depending on the selected cut-off grade, and the Mineral Resource of the Wiluna Mining Centre alone using a 1.0 g/t cut-off increased to 60.2Mt @ 2.99 g/t for 5.78 Moz.

A further Mineral Resource update will be released in the December quarter of 2021 and a Reserves update will be released early in calendar 2022 incorporating results of the major resource infill drilling program undertaken.

The Company's goal is to add 500,000oz of high-grade, shallow Ore Reserves through further infill drilling of the existing resource base and to build a 2.5Moz Measured and Indicated Resource to enhance mine planning and long-term option studies (currently the M&I Resource is 2.14Moz @ 5.26g/t, above 2.5g/t cut-off). The ongoing drilling program is focused on highest-value zones scheduled for mining to further enhance the mine plan.

In addition to the Company's focus on defining shallow, high-grade Ore Reserves for the sulphide development plan, the geological program aims to reveal the full scale of the very large gold system at Wiluna to over 1,800m below surface with multiple targets "under the headframe" to be drilled. The ongoing program is targeting high-grade resource extensions greater than 5g/t, located close to the surface and close to existing underground infrastructure for lower costs per ounce developed. The Company is targeting infill definition and further extensions to high-grade sulphide zones in the initial areas to be mined, because every 1 g/t increase in the grade in the sulphides should result in an additional 25kozpa of production in Stage 1 and 50kozpa in Stage 2.

The Company aims to discover analogues to the historically mined Bulletin main shoot which produced 900,000oz @ 8g/t. The Company's geologists have identified multiple targets where ore shoots may have formed, in a predictable structurally repeated pattern controlled by the steeply south-plunging shoot corridors in conjunction with conjugate north-plunging trends.

The main mineralisation is not closed off along strike or down dip and the gold endowment of cross cutting structures both within the main mineralisation and peripheral to it has been insufficiently assessed. The potential for both high-grade lode structures as previously interpreted and exploited or wider shear zones potentially lending themselves to bulk mining methods will be further explored.

A significant Mineral Resource development drilling program is underway to fully scope out the depth, scale and optimal mine plan to best exploit the mine. Whilst the immediate drilling focus is to confirm Reserves within the immediate mining areas to support a 3 to 5 year production window, this will be complemented by a broader exploration drilling program to fully define the very large mineralised system, with results expected to inform long-term optimisation studies and define the ultimate scale of the operation.

Stage 2: Feasibility Study

The Feasibility Study for the Stage 2 increase in flotation plant capacity to 1.5Mtpa is progressing well with significant progress made on metallurgical testwork in preparation for process plant engineering which commenced in Q1 FY 2022.

Design Concept Stage 2

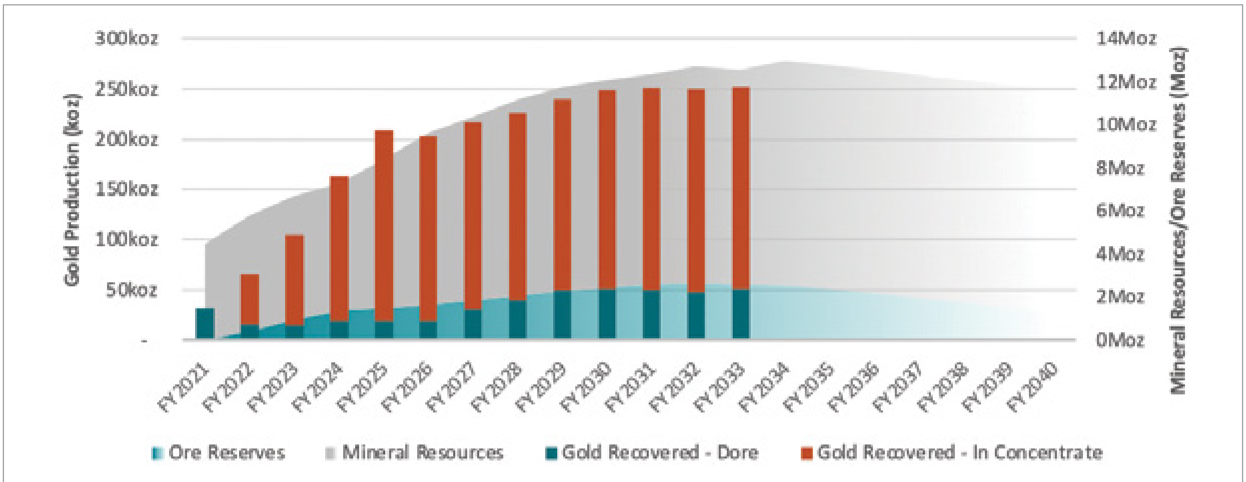
Below: Sulphide Plant and and Wiltails

- New crushing, HPGR and Grinding, 2 x capacity of existing. Flotation circuit expanded.
- Flot con -> shipped.
- Flot tail to CIL.
- Add Wiltails up to full capacity of CIL circuit
- Old crushing/grinding available for oxides/toll treating.

A conceptual production profile illustrating a staged ramp up to 1.5Mtpa is shown in Figure 9. The conceptual production ramp up achieves a ~250kozpa production profile from 2025 once Stage 2 ramps up to full production with the potential to realise additional production Wiltails and / or CIL ore sources through using the available CIP processing plant.

The mining inventory used to generate this production profile is based on early-stage underground mine designs and is inclusive of mineralisation classified as Measured, Indicated and

Figure 9: Stage 2 Conceptual Production Profile*



*Note; The potential quantity and grade of the Exploration Target is conceptual in nature. The JORC Compliant Exploration Target defined for the East/West structures at the Wiluna Mining Centre is approximately 35Mt to 40Mt @ 4.5g/t to 7g/t for 5Moz to 7Moz of gold (ASX release dated 17 November 2020). The Exploration Target potential does not pertain to a Mineral Resource or Ore Reserve and is purely an indication of the potential of the Wiluna deposit beyond the current production areas and currently defined Mineral Resource. There has been insufficient exploration drilling to estimate a Mineral Resource in the target areas, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Company's major ongoing resource and reserve development programme over the next 5 years will systematically test these targets.

Inferred. The mining inventory is not an Ore Reserve and represents a conceptual opportunity rather than a firm development plan. To realise this opportunity the Company will continue an aggressive Mineral Resource drilling program to infill mineralisation envelopes and convert Inferred material to Indicated or better.

Engineering studies have commenced with the addition of Mining Plus to the team of consultants working on the study. Mining Plus will provide mine engineering, design, scheduling, capital and operating cost estimation support as well as Competent Person sign off on the Ore Reserve Estimation. Rockwater will provide hydrogeological support for the process water and underground dewatering components of the study.

Upon completion, the Stage 1 flotation circuit will provide an initial 750ktpa processing capacity. In Stage 2, the Company is targeting an expansion of gold production based on the large Mineral Resource and preliminary mine planning which suggests that a sustainable mining rate of 1.5Mtpa should be achieved to double gold production. The Resource and Reserve development program which is underway is designed to convert more of the very large resource base to reserves through infill drilling and delineation of additional high-value resource areas. The Feasibility Study will be completed during Q3 FY 2022 to guide the Company when Stage 2 Development should take place.

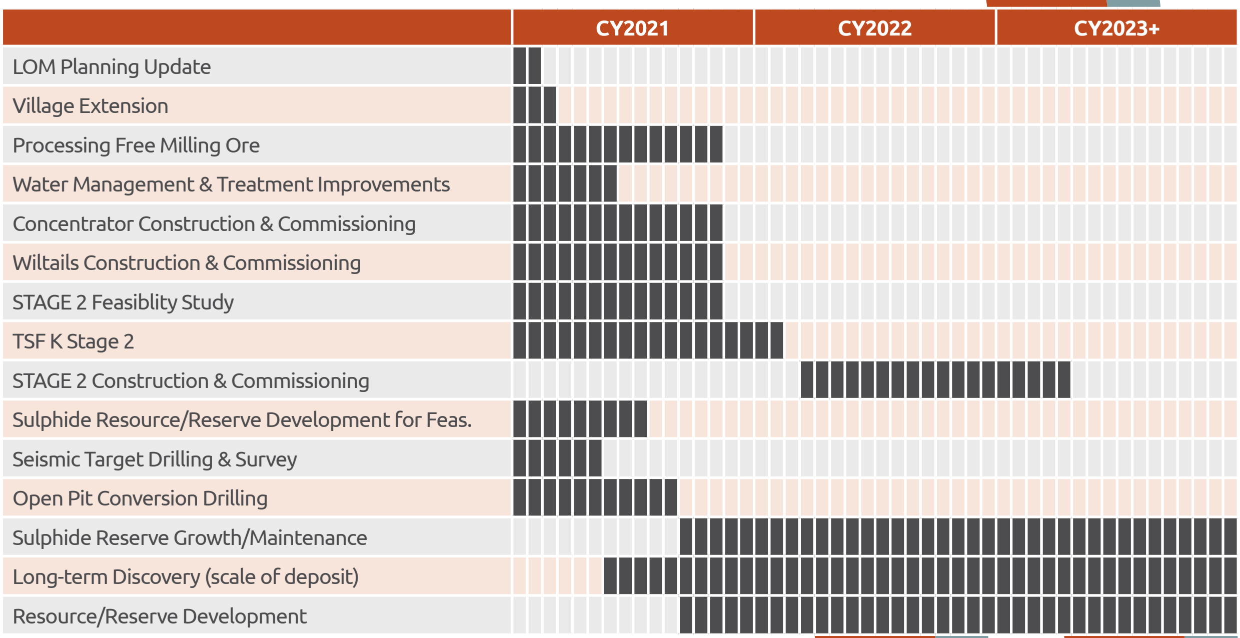
The study will confirm:

- Sustainable mining rates from underground operations which, in turn, will determine the processing rate.
- Ongoing resource to reserve expenditure required to maintain mining inventory for the expanded plant.
- Preferred process plant configuration for comminution and flotation circuits.
- Expansion requirements for power and water supply, mine village and other support activities.
- Capital estimates and funding requirements.

It is planned that the Ore Reserve update will be based on processing costs for the Stage 2 processing rate which should be lower than Stage 1 due to the ability to spread fixed costs over increased production.

GR Engineering Services have been appointed to prepare the metallurgical, process engineering, cost estimation and project implementation plans leveraging their project specific experience with the Stage 1 and 2 studies conducted previously as well as the construction experience accumulated throughout the Stage 1 build.

Table 4: A high-level work plan to meet the strategic development objectives over the coming 3 years



Metallurgical Testwork

The Stage 2 Sulphide Expansion metallurgical testwork program has generally produced results that fall in line with results achieved during approximately two decades of plant operational flotation experience. A summary of testing results achieved to date follows:

1. Work index tests repeatedly confirm very hard host rock, which leads to the potential to overgrind the sulphide component if the flash flotation is offline, despite which flotation results improved as overall grind sizes decreased to 75um, with little incremental benefit seen beyond that.
2. There was no requirement for the high conditioning power, high reagent consumptions and high residence times initially determined by the Stage 1 testing, which allowed for the Stage 2 flotation circuit expansion to consist of only one additional flotation cell plus ancillaries.
3. A combination of flotation recoveries and flotation tailings leach recoveries consistently yields greater than 90% overall combined circuit gold recovery.
4. Golden Age ore is highly amenable to recovery via flotation.
5. Density testwork and sodium silicate additions did not improve flotation recovery, indicating no rheology concerns with the ore.
6. A rougher / cleaner circuit can upgrade gold grades significantly with an over 20 times upgrade factor.

Figures 10 and 11 show cleaner flotation testwork in the laboratory. Note the tailings slurry colour indicative of high recoveries of the darker sulphide ore to the flotation product.

Figure 10: Cleaner 1 Concentrate

Figure 11: Final Cleaner Concentrate

Paste Fill Plant

Cemented paste fill may be used underground to support stope walls and to minimise the need to leave ore behind in support pillars. The paste is produced from process plant tailings and pumped underground reducing the need for surface tailings storage. At Wiluna, the geotechnical conditions are generally very good and a backfill technique such as cemented paste is not required to facilitate mining or minimise dilution, however, the economics of some areas of the mine may improve through a higher extraction rate through the use of paste fill.

Initial studies have shown that the use of paste fill can improve mining economics and a more detailed assessment will commence to confirm which areas should be filled, what paste plant capacity is required and when the plant will be needed.

Included in this assessment will be the benefits of improved recovery of water for the process plant and the reduction in tailings storage requirements.

Performance & Cost Improvement Studies

Current mine and processing plans, Ore Reserves and production targets are considered base case scenarios that have not yet been optimised to maximise cash flow or minimise risk. Opportunities will be explored to improve upon the base case scenarios and to schedule them in the life of mine plan where these add cashflow, reduce risk or reduce our environmental footprint.

Mining of Remnant Mineralisation in Stope Pillars and Footwall and Hanging Wall Skins

The updated Ore Reserves announced on 16 March 2021 did not consider any mineralisation contained within the Mineral Resource Estimate where it was contained within pillars or stope footwall or hanging wall skins. These areas, amounting to 3.3Mt of mineralisation at 4.5g/t for 469koz were not considered for the Ore Reserve update which presents as an opportunity with the detailed mine plan to produce further reserves.

A study commenced during the year to investigate technical solutions to extract this material safely and profitably with the intention to include any profitable ore in the updated ore reserve and mine plan for the Stage 2 Feasibility Study.

Renewable Power Generation

Electrical power requirements at Wiluna average approximately 6MW with power supplied by gas fired generators with diesel back up. As underground operations ramp up and processing capacity increases power requirements are expected to increase over time to 18.5MW. Potentially higher use will depend on the processing route combinations in use at any point in time. Renewable energy sources, such as wind power and solar, are the preferred energy sources to meet this staged increase in demand with a target renewable energy contribution of at least 50%.

Whilst solar energy availability at Wiluna can be estimated from publicly available data, the potential for wind power to provide a viable solution requires the acquisition of at least twelve months of local wind data for power generation modelling. In April, a SODAR (Sonic Detection and Ranging) unit was installed at Wiluna to acquire wind speed and direction data for a 2022 pre-feasibility study into wind and solar renewable energy supply to site.

Battery energy storage and use of 'energy stockpiles' will be integrated into the study to ensure that major energy consumption uses green power when available rather than carbon intensive power on demand. The "Energy Stockpiles" concept includes building crushed ore stockpiles and pumping water to storage tanks during the day when green solar and wind power is available with drawdown at night when gas power generation would be required to undertake the same work. The stockpile is, in effect, a store of power available to maximise the use of renewable energy.

Long-term Water Supply

As with electrical power demand, the staged increase in process capacity with the potential expansion of flotation processing rates from 750ktpa to 1.5Mtpa and the parallel processing of 2.1Mtpa of oxide ore or tailings retreatment will require an increase in process water supply. Currently water is sourced from the Eastern Borefield, tailings dam return water and underground dewatering. This will continue to be the case for the near term, however, long-term secure water supply is vital to the operation. It is necessary to commence studies now to ensure water sources are identified that can meet the future increased demand for the long-term.

A hydrogeological assessment to secure long-term secure water supply commenced during the year and will progress through the feasibility study.

Figure 12: SODAR (Sonic Detection and Ranging) unit

Discovery

Wiluna Mining's Discovery & Growth Program has three key themes:

1 Focus on enhancing Ore Reserves for Staged Sulphide Development, targeting shallow, high-grade, low-cost mining areas.

- Target Ore Reserves in the depth range 0 to 600m below surface.
- Increase sulphide Ore Reserves to support Stage 2 development with programs from surface to a depth of 1,200m. The program includes mine dewatering, rehabilitation, and installation of drill drives.
- Maintain and grow the Indicated and Measured portion of the Mineral Resource on a rolling basis to replace depletion and provide further inventory for production planning and long-term Ore Reserves.

2 Discover new sulphide zones at Wiluna and reveal the full scale of the large gold system to 1,800m below surface; multiple targets 'under the headframe' are to be drilled.

- Priority targets are located 0 to 600m below surface at Essex (lower), East Lode, West Lode, and Happy Jack North. Additional targets are located 600 to 1,800m below surface at Calvert, Happy Jack and the East and West lodes. These targets will be drilled from surface and underground positions.
- The historically mined Bulletin main shoot produced 900koz @ 8g/t for comparison. Targeting +5g/t shoot discoveries which could substantially enhance the initial years of the mine plan.

3 Make a discovery within the wider 1,600km² Wiluna Mining Operation, with four gold deposit styles and multiple targets defined and excellent potential for long-term organic growth.

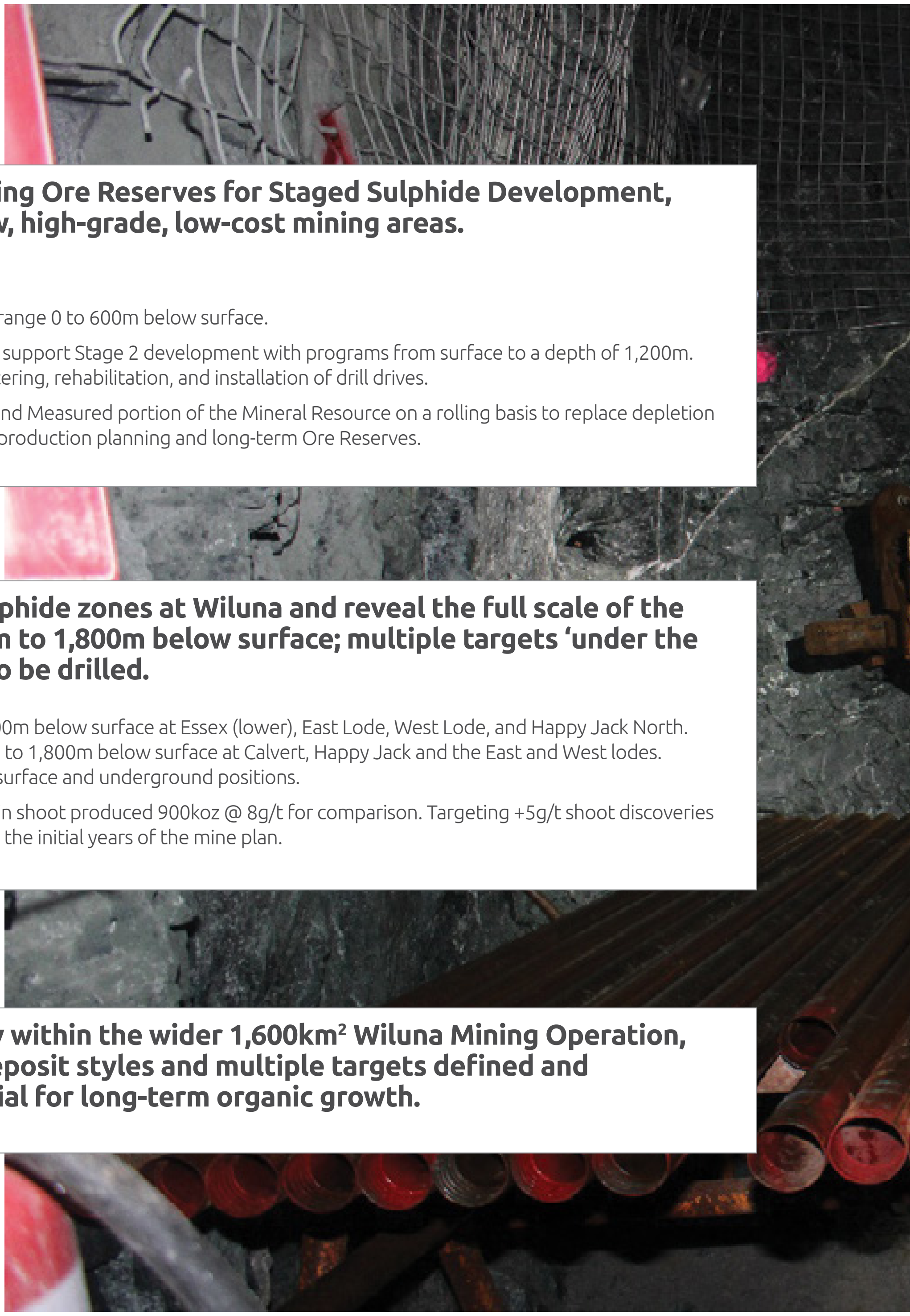


Figure 13: Underground Diamond Drilling at Wiluna

Discovery (continued)

The Wiluna Mining Centre is a very large high-grade gold system with a +10Moz endowment (combined current resources and production). During FY 2021, drilling continued at pace with up to 8 rigs to complete 540 holes for 112,428 metres in support of the Company's Sulphide Development strategy. This drilling has focussed on sulphide resource development in support of the proposed mine development sequence to:

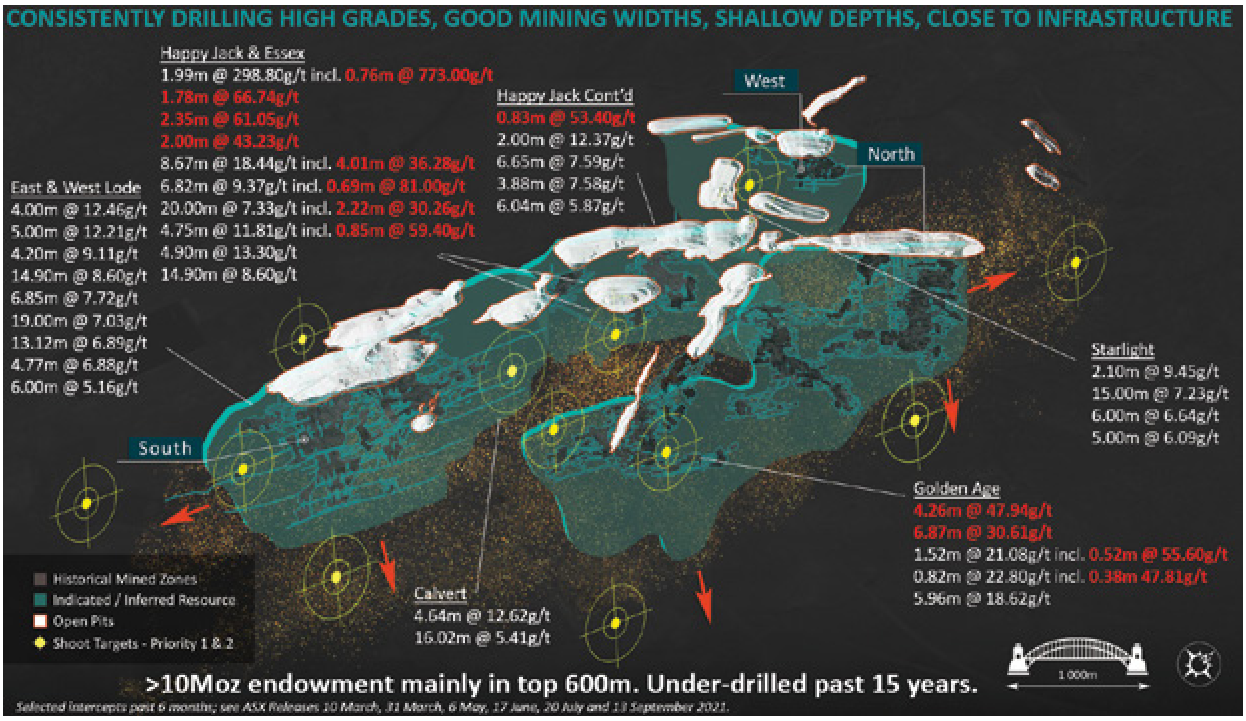
1. Significantly increase the confidence in sulphide resources from Inferred to Indicated category and grow reserves to underpin Stage 1 production.
2. Add reserve ounces in high-grade, shallow locations, close to existing mine development that can be rapidly brought into production at low cost.
3. Discover new, high-grade shoots that will add ounces per vertical metre and, more importantly, increase the grade. This will help consolidate Stage 1 and enhance the transition into Stage 2 which is to increase production to +250kozpa of gold and gold in concentrate over a long mine life.

At Wiluna, the bulk of the ounces occur in high-grade shoots within steeply dipping gold shear zones, with the two most prominent shears being the East and West structures and a third sub-parallel structure called Adelaide-Moonlight shear, with a combined strike length of over 10km. In addition, numerous linking structures and splays are also mineralised, including the free-milling high-grade quartz reefs at the Golden Age zone.

Most historical production and existing resources occur in the upper 600m at Wiluna, with limited drilling during the past 20 years at depth on Wiluna Mining's exploration targets. The main structures within the Wiluna deposit have very limited drilling below the deepest levels of production (only 1,000m below surface), but the drilling that has been completed shows the same mineralisation style as observed within the past production envelopes. Combined with new seismic survey results, this gives confidence that mineralisation extends well beyond the currently known extents of each lode.

The Company's discovery during the year of high-grade shoots at Starlight and Essex demonstrates the outstanding discovery potential at Wiluna, where despite over 125 years of mining and exploration, new high-grade discoveries continue to be made, close to surface and close to existing underground mine infrastructure.

Figure 13: Wiluna Mining Centre showing scale of the operation and drilling target locations, with selected results from past 6 months.



The Company has consistently published outstanding drilling results throughout the year as the program systematically drilled-out and extended Inferred resource areas, confirming the Company's confidence in the geological scale and potential for high-grade discoveries at shallow depths and close to existing development at Wiluna:

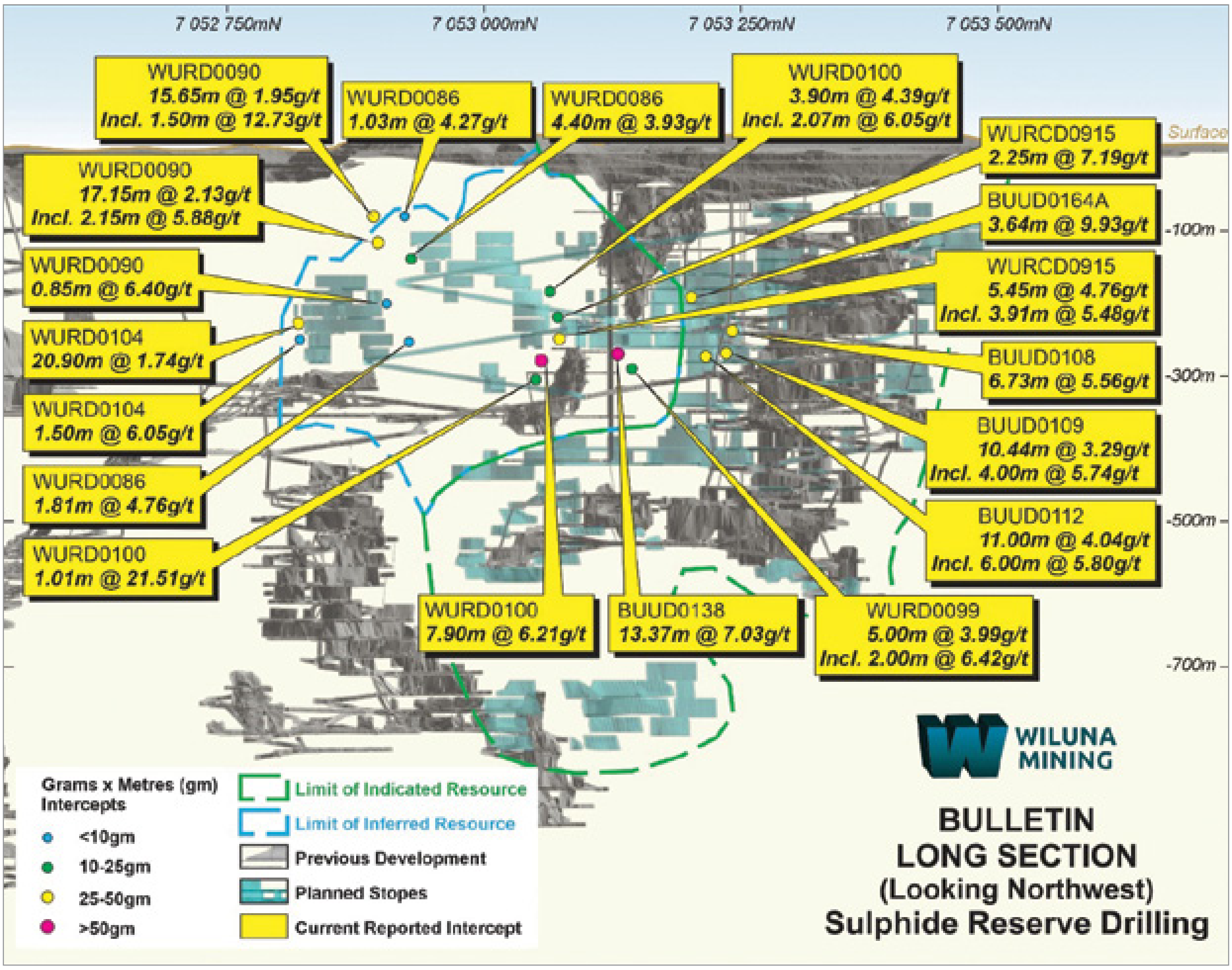
- Discovery and resource development drilling updates have shown high-grades in infill and extension drilling at Happy Jack, East Lode, Essex, Bulletin, Starlight and Golden Age zones (refer ASX announcements 27 October 2020, 17 November 2020, 27 January 2021, 31 March 2021, 17 June 2021, 20 July 2021 and 13 September 2021).
- Large-scale Exploration Targets defined under the headframe at Wiluna and regionally (refer ASX announcements 17 November 2020, 6 May 2021, and 17 June 2021).

BULLETIN ZONE

The program at the Bulletin zone, in the Wiluna North Mine area, was designed to infill Inferred resources within preliminary stope designs in the interim mine plan, with the aim to upgrade geological confidence to Indicated category. Excellent results were achieved from this program with the lodes still open in multiple directions including the outstanding 37.52m @ 10.77g/t in BUUD0146:

BUUD0108:	3.64m @ 9.93g/t
BUUD0109:	10.44m @ 3.29g/t including 4.00m @ 5.74g/t
BUUD0112:	11.00m @ 4.04g/t including 6.00m @ 5.80g/t
BUUD0146:	10.84m @ 29.39g/t; and 23.92m @ 3.55g/t *(within a broad halo intercept of 37.52m @ 10.77g/t)*
BUUD0164A:	6.73m @ 5.56g/t
WURC0911:	12.00m @ 8.14g/t
WURC0915:	5.45m @ 4.76g/t including 3.91m @ 5.48g/t
WURC0916:	2.00m @ 14.45g/t; and 2.00m @ 5.38g/t
WURD0088:	3.00m @ 4.66g/t; and 4.30m @ 6.42g/t *(within a broad halo intercept of 38.00m @ 1.84/t)*
WURD0098:	7.41m @ 4.35g/t including 4.05m @ 6.08g/t

Figure 14: Sulphide resource development results from Bulletin and Inferred Resource infill target area.



ESSEX

Essex is a high-grade, high-priority mining zone in the Wiluna North Mine area, which has delivered outstanding visible gold intersections in numerous holes down-plunge of the current resource limits (Figure 15). The success of the Company's drilling and resource development activity at Essex, validates the Company's strategy to focus on shallow, high-grade sulphide ore bodies for development early in the mine plan.

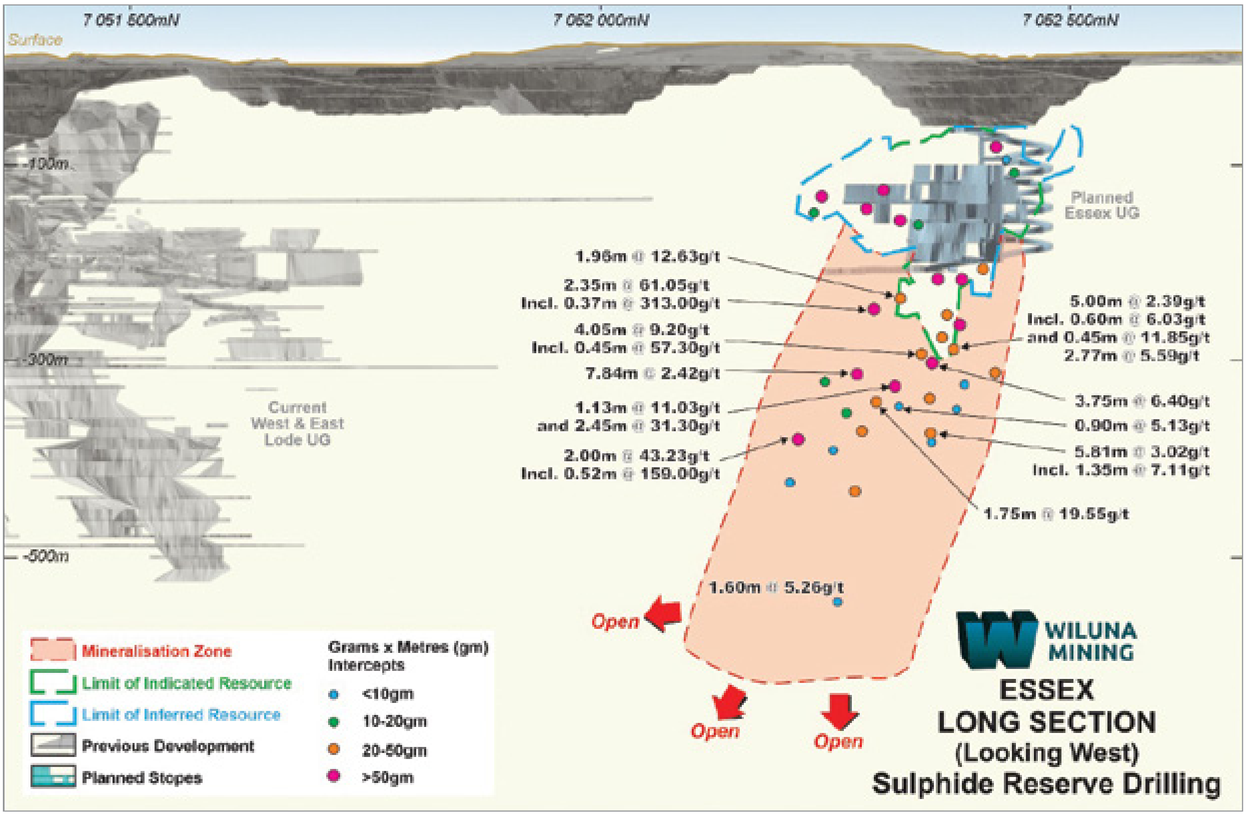
Numerous holes intersected bonanza grades with visible gold mineralisation over narrow intervals, reflected in the ultrahigh-grade assays of 2.35m @ 61.05g/t including 0.37m @ 313g/t, 2.00m @ 43.23g/t including 0.52m @ 159g/t, 2.45m @ 31.30g/t and 1.75m @ 19.55g/t.

The presence of free gold is significant as gold doré produced on site generates improved operating margins additional to gold in concerntrate.

Previous operators installed underground development to the base of the Essex ore body, which requires minimal dewatering and rehabilitation to gain access to ore. The existing access also provides a platform for planned drilling from underground to drill out the newly defined high-grade zones.

WURD0116A:	2.35m @ 61.05g/t including 0.37m @ 313g/t (visible gold logged)
WURD0108:	1.96m @ 12.63g/t including 0.30m @ 57.50g/t (visible gold logged)
WURD0109:	1.13m @ 11.03g/t; and 2.45m @ 31.30g/t (visible gold logged)
WURD0114:	*3.75m @ 6.40g/t*
WURD0118:	5.00m @ 2.39g/t including 0.60m @ 6.03g/t and 0.45m @ 11.85g/t; and 2.77m @ 5.59g/t; and 0.30m @ 7.28g/t (visible gold logged)
WURD0124:	2.00m @ 43.23g/t including 0.52m @ 159g/t (visible gold logged)

Figure 15. Essex long section showing high-grade results and drilling aimed at converting the Inferred Resource to Indicated category and defining mineralisation at greater depth.



HAPPY JACK

Happy Jack is a high-grade, high-priority mining zone located centrally in the Wiluna Mining Centre. Access into the orebody is via two existing declines installed by previous operators, which are currently being dewatered and rehabilitated, and infill and extensional drilling for additional resources is in progress ahead of imminent sulphide ore production. High-grade sulphide intercepts are in line with expectations with intersections including:

HJRD00033:	6.35m @ 4.99g/t including 1.80m @ 11.51g/t; and 3.80m @ 6.25g/t
HJRD00040:	4.50m @ 11.85g/t
HJRD00121:	9.93m @ 6.31g/t including 0.30m @ 100.00g/t
WURD0161:	18.27m @ 5.09g/t including 0.49m @ 47.60g/t; and 4.79m @ 6.03g/t
WURD0164:	4.00m @ 5.10g/t; and 6.10m @ 4.97g/t including 2.10m @ 10.94g/t

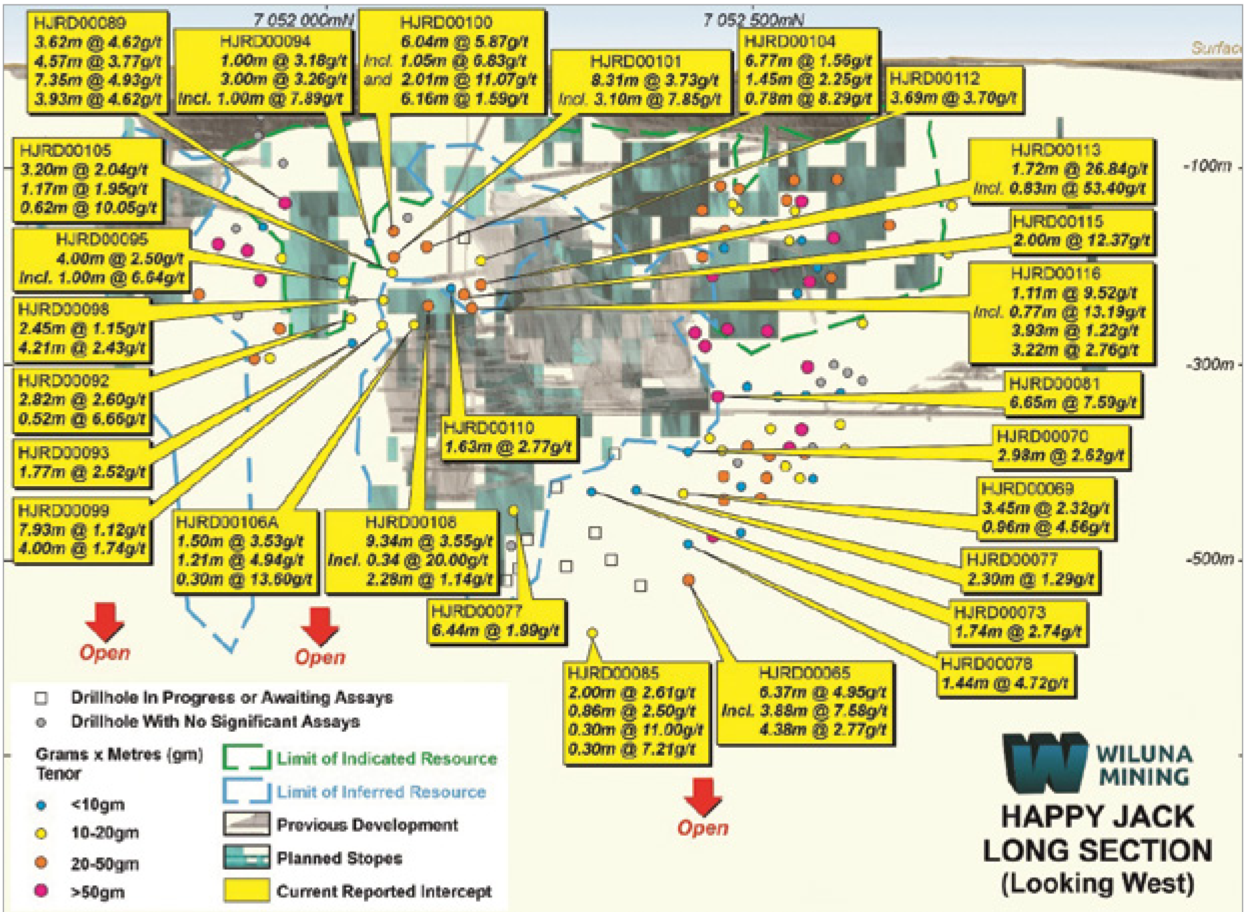


Figure 16. Happy Jack long section showing high-grade results and drilling aimed at converting the Inferred Resource area to Indicated category and defining mineralisation at greater depth.

EAST LODE

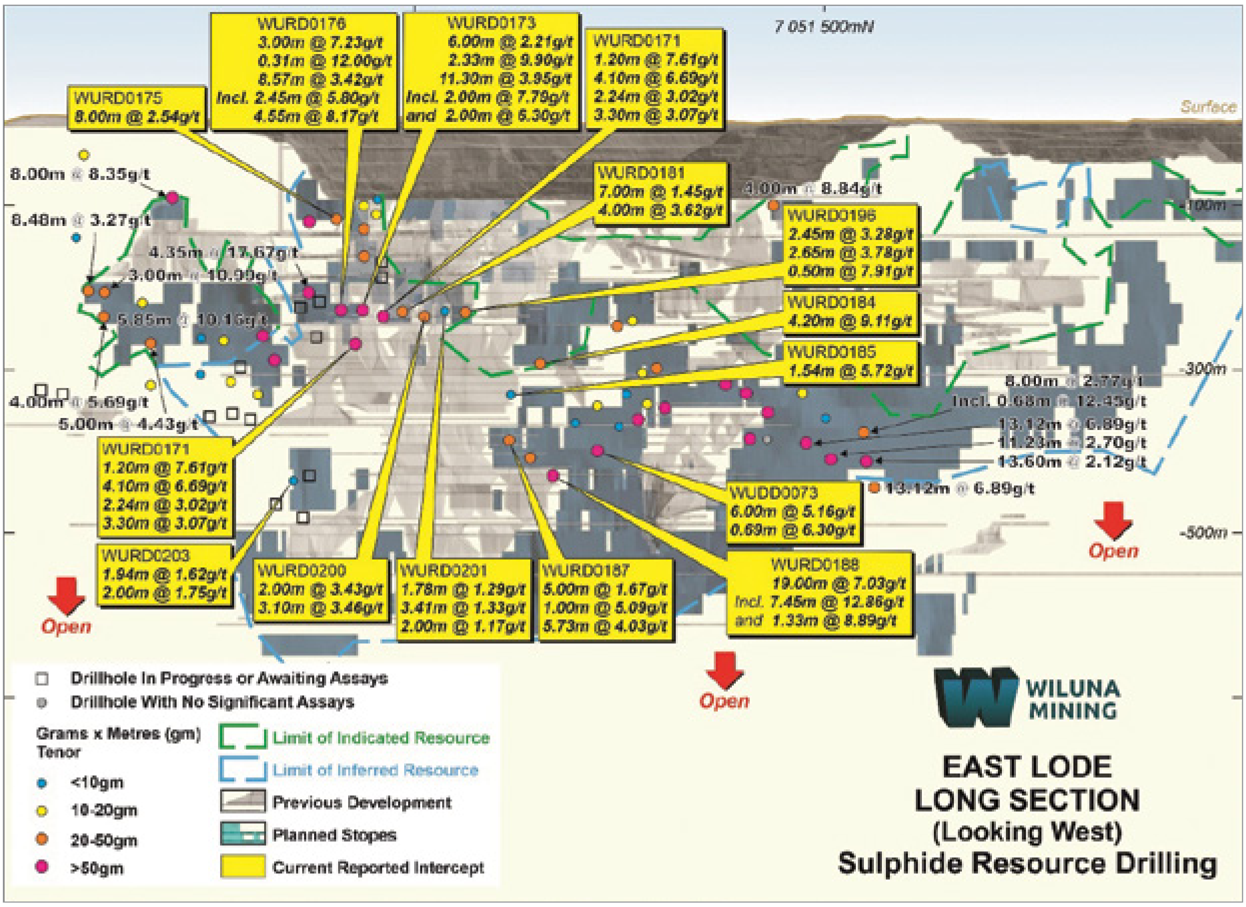
East Lode was originally mined via underground between 1931 and 1946 and produced 720,000oz @ 6.7 g/t, which demonstrates the scale and high-grade nature of this target zone. East Lode remains open and sparsely drilled in all directions, with the FY 2021 program targeting:

- Infill of the existing high-grade Inferred resource in planned stope shapes, to upgrade geological confidence to Indicated resource category and define reserves
- Infill of the Inferred resource for upgrade to Indicated category in poorly-tested, high-grade parallel lodes
- Further resource and reserve additions along strike and at depth

Thick high-grade sulphide intersections at East Lode are in line with expectations with results including (Figure 17):

WURD0125:	8.00m @ 6.33g/t
WURD0125W1:	14.90m @ 8.60g/t; and 10.20m @ 4.42g/t including 6.95m @ 5.06g/t
WURD0129:	6.95m @ 5.69g/t
WURD0136:	12.80m @ 5.38g/t
WURD0143:	13.40m @ 4.26g/t including 0.73m @ 11.07g/t; and 4.77m @ 6.88g/t
WURD0158:	14.30m @ 3.86g/t including 8.52m @ 5.71g/t
WURD0150:	6.85m @ 7.72g/t; and 3.95m @ 4.74g/t
WURD0152:	13.12m @ 6.89g/t; and 1.27m @ 15.05g/t
WURD0138:	11.24m @ 4.60g/t including 2.10m @ 6.85g/t and 3.13m @ 6.24g/t

Figure 17: East Lode long section with shallow sulphide intersections and high-grade zones in situ in historical drilling and open at depth.



WEST LODE

West Lode is a high-grade and high-priority target zone in the Wiluna South Mine Area owing to its shallow depth and proximity to existing decline access that is now being dewatered to install underground drilling positions. West Lode was historically mined via underground and produced 691,000oz @ 8.6g/t between 1932 and 1946, which demonstrates the scale and high-grade nature of this target zone.

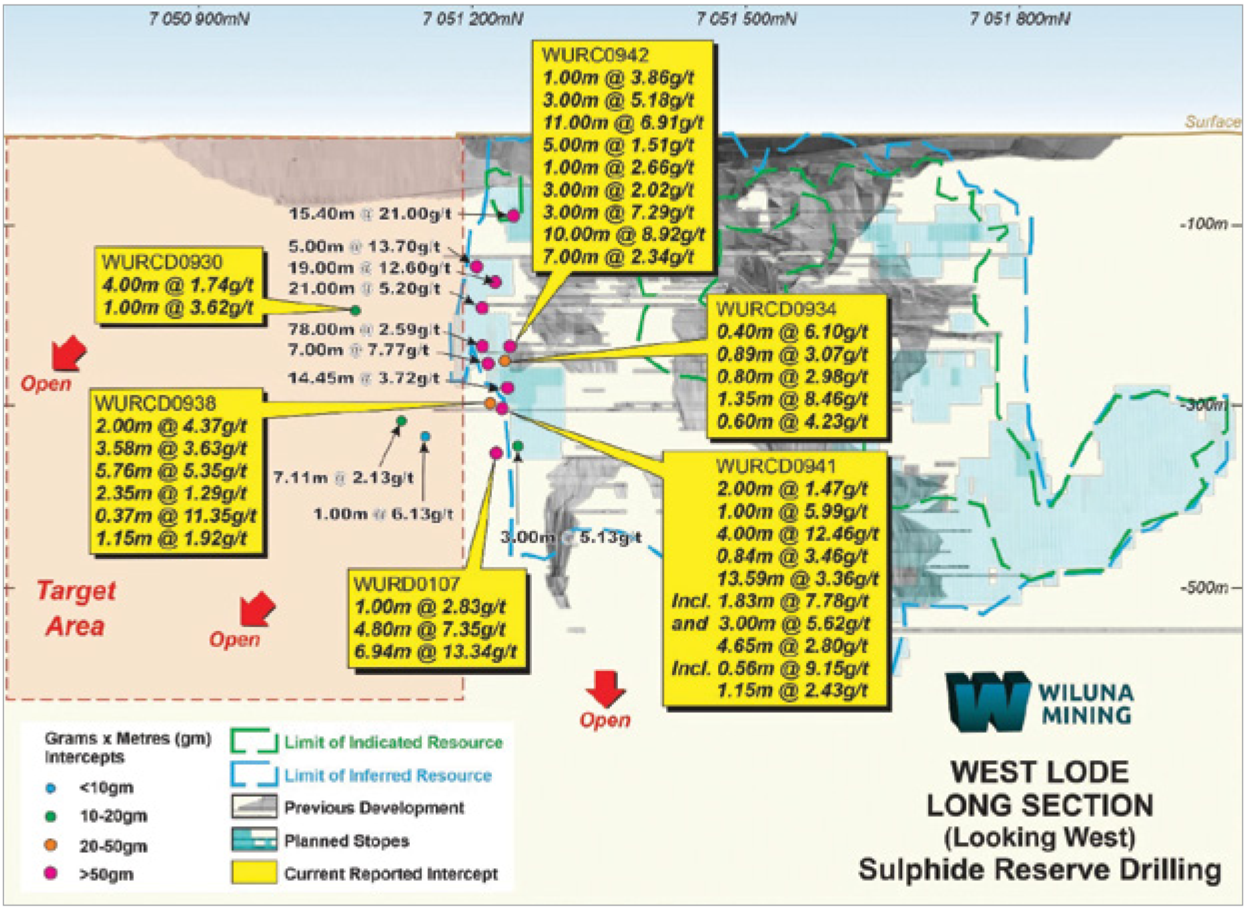
West Lode South remains open and sparsely drilled in the southern target area (Figure 18), with the potential to add to mine life and improve the head grade based on the thick high-grade mineralisation intersected in the current program and Wiluna Mining's previous holes.

West Lode also remains open and sparsely drilled in the northern Inferred Resource area towards Calvert zone, and at depth, with potential to delineate resource extensions and to discover new shoots from the planned underground drilling positions.

WURC0942 intersected very broad mineralisation of 106m @ 2.41g/t from 180.00m (estimated true width 70m) and WURCD0941 intersected broad halo mineralisation of 82.15m @ 1.50g/t from 207.00m (estimated true width 55m); these zones may be amenable to open pit or bulk underground mining methods. Within these broad zones, high-grade intercepts include:

WURC0942:	3.00m @ 5.18 g/t, 11.00m @ 6.91g/t, 3.00m @ 7.29g/t, 10.00m @ 8.92g/t *(Within broad mineralised zone of 106m @ 2.41g/t, true width 70m)*
WURCD0938:	5.76m @ 5.35g/t
WURCD0941:	4.00m @ 12.46g/t; and 13.59m @ 3.36g/t including 1.83m @ 7.78g/t and 3.00m @ 5.62g/t *(Within broad mineralised zone of 82.15m @ 1.50g/t, true width 55m)*

Figure 18. West Lode long section showing high-grade results and drilling aimed at converting the Inferred resource area to Indicated category. Highlighted holes are latest results. West Lode remains open to the south.



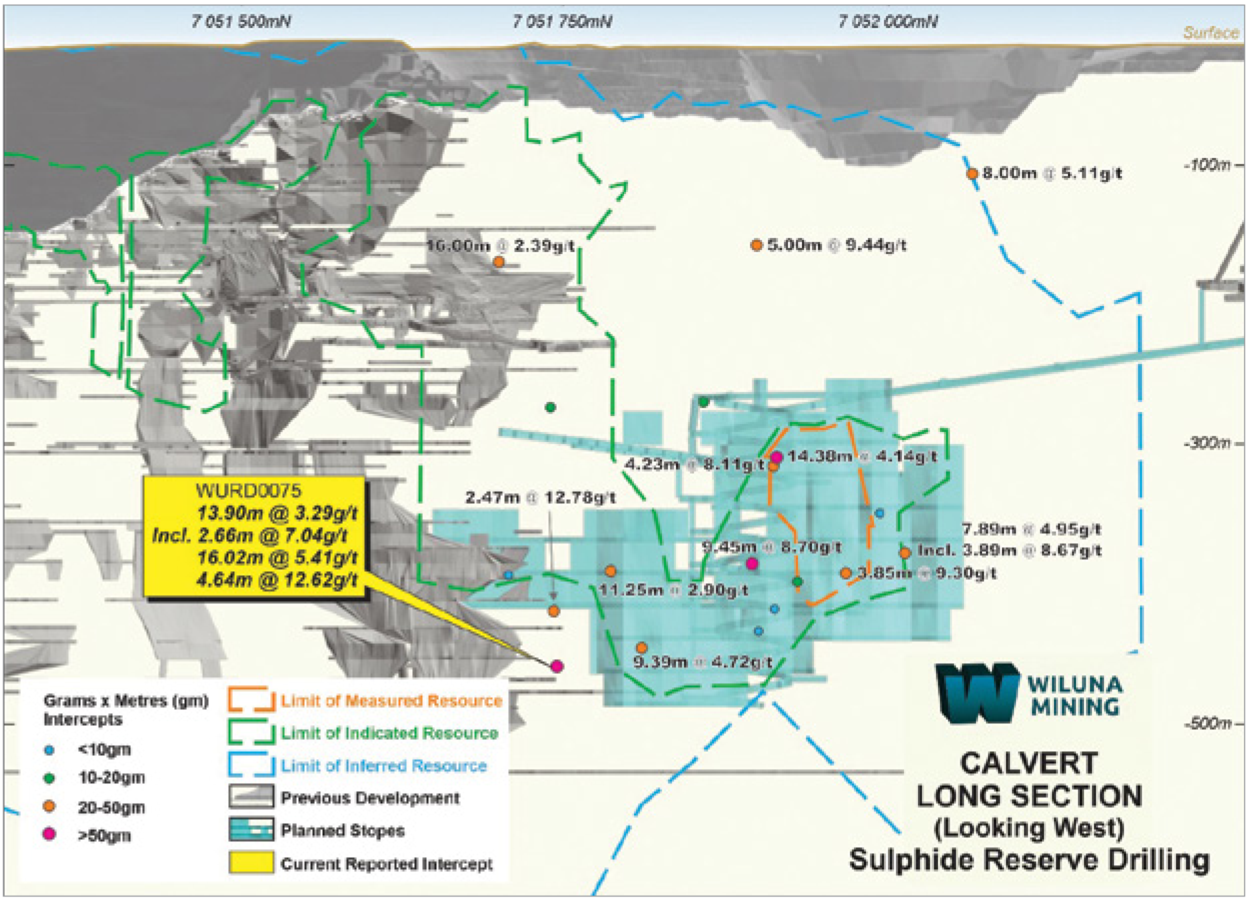
CALVERT

Calvert is a high-grade, high-priority target zone in the Wiluna South Mine Area, located on the West Lode structure immediately north of the historical underground workings (Figure 19). Calvert is close to surface and the existing decline access via the Happy Jack zone and will be further tested from underground drilling positions as access becomes available.

The Calvert program intersected multiple broad sulphide intersections including:

WURD0075:	13.90m @ 3.29g/t including 2.66m @ 7.04g/t and 1.28m @ 7.46g/t; and 16.02m @ 5.41g/t; and 4.64m @ 12.62g/t
WUDD0062:	5.00m @ 9.44g/t and 5.70m @ 5.28g/t

Figure 19. Calvert long section showing high-grade results and drilling aimed at converting the Inferred resource area to Indicated category. Highlighted drill hole shows latest results.

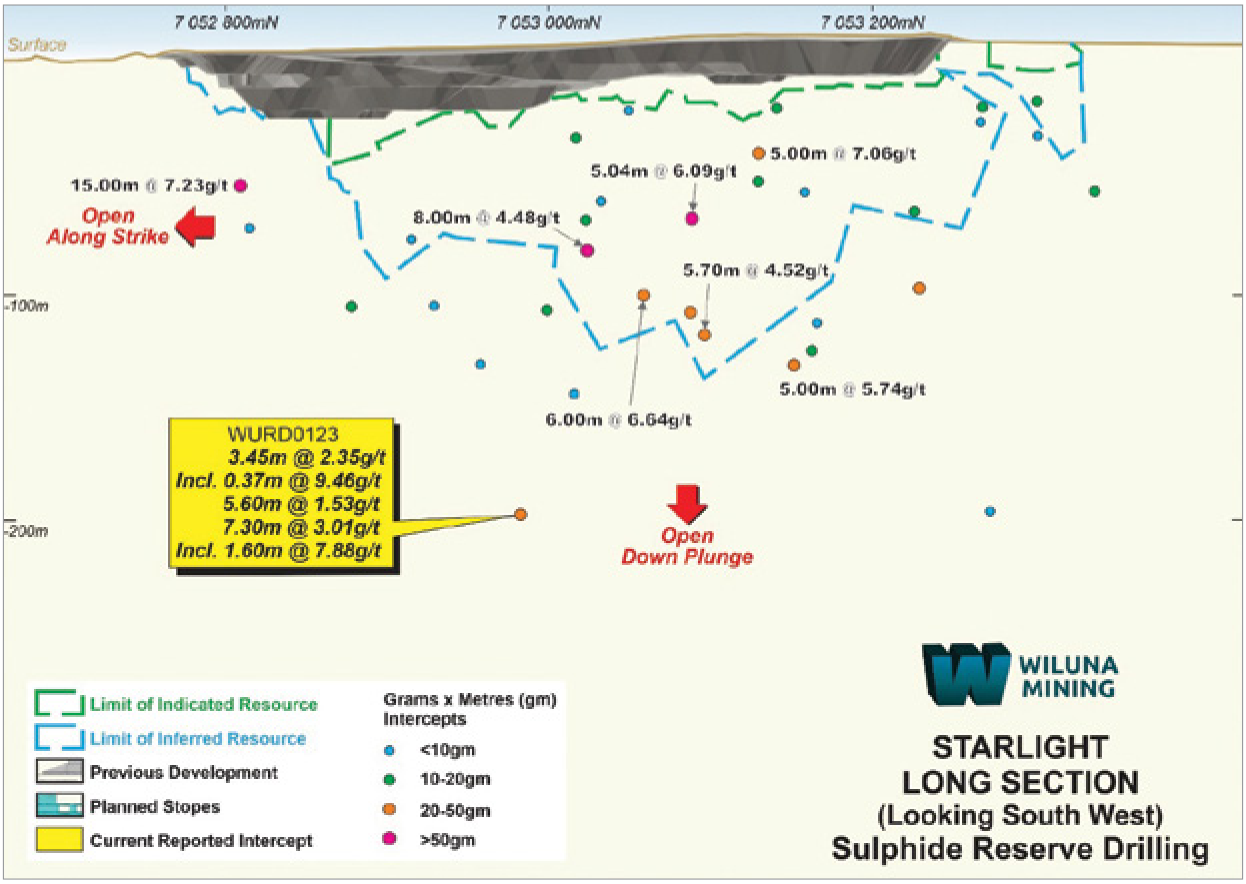


STARLIGHT

Starlight continues to take shape with multiple high-grade lodes intersected in WURD0123, which is the latest and deepest hole drilled at Starlight (Figure 20). Starlight is significant in that it is located only 200m away from the Happy Jack underground mine and could be rapidly brought into production at low capital cost if further drilling demonstrates economic reserves. Modelling of results is underway with a view to extending the Starlight resource down-plunge and along-strike, and further drilling is planned.

WURC0955:	15.00m @ 7.23g/t, and 2.00m @ 6.21g/t
WURC0963:	5.00m @ 5.74g/t
WURC0965:	6.00m @ 6.64g/t
WURD0123:	3.45m @ 2.35g/t, and 5.60m @ 1.53g/t, and 7.30m @ 3.01g/t, and 1.60m @ 7.88g/t
WUDD0069:	5.04m @ 6.09g/t, and 2.17m @ 9.45g/t

Figure 20: Starlight long section showing assay results in drilling aimed at delineating high-grade sulphide mineralisation. The highlighted drill hole shows latest results and mineralisation remains open down plunge along strike.



GOLDEN AGE

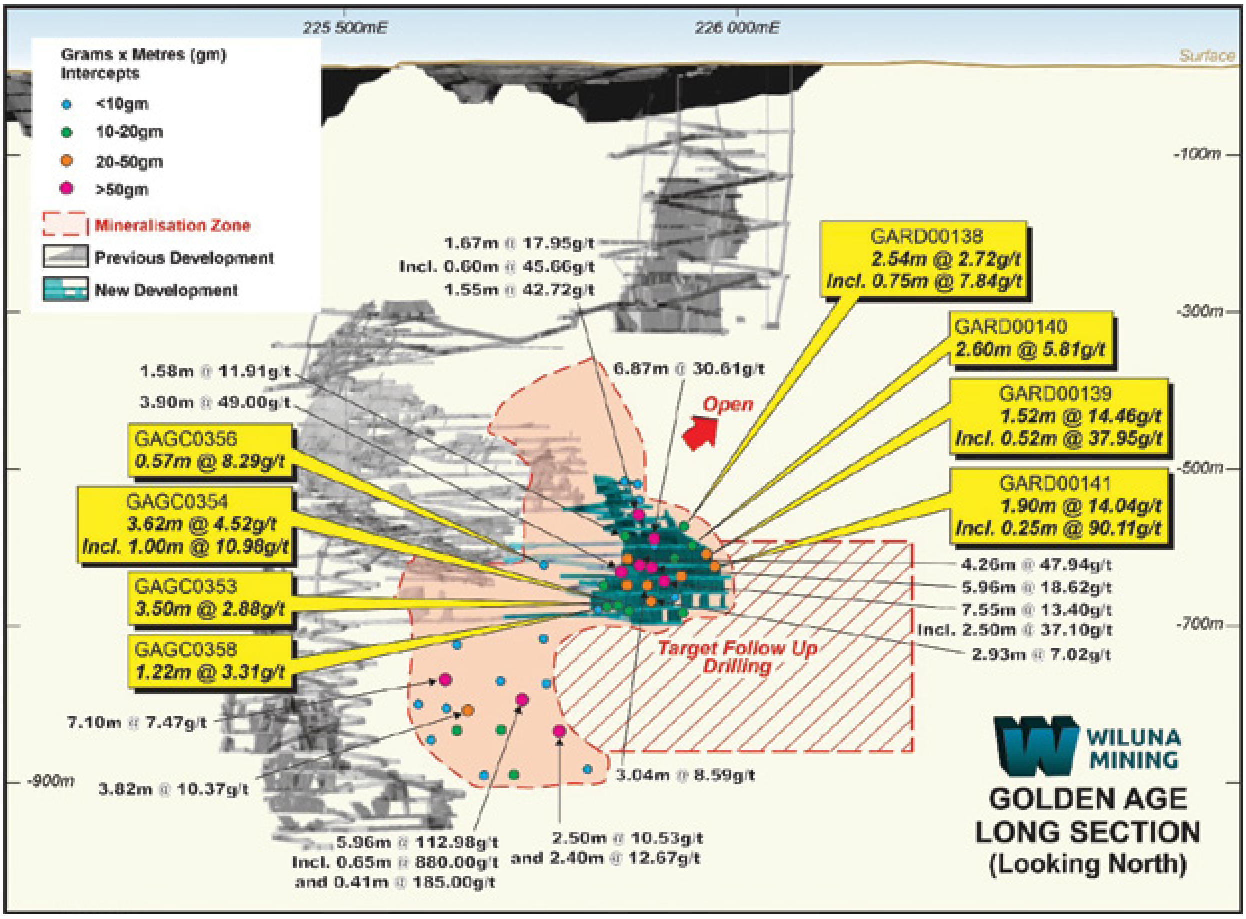
The Company has continued to define extensions to the Golden Age orebody, which is a source of high-grade free-milling feed that currently supplements large ore stockpiles from mining the Williamson pit, enhancing head grade and cashflows ahead of sulphides production.

Golden Age will also continue to provide mill feed with the ability to produce gold doré and gold concentrates following commissioning of the sulphide concentrator. Gold doré produced on site in parallel to concentrate sales will improve operating margins.

The area below the 650m level at Golden Age East remains untested and when coupled with the high-grade mineralisation intersected around the 850m level, a considerable drilling target area remains open that may host more high-grade mineralisation. (Figure 21).

GAGC0331:	1.67m @ 17.95g/t including 0.60m @ 45.66g/t; and 1.55m @ 42.72g/t
GAGC0332:	1.58m @ 11.91g/t
GAGC0336:	6.87m @ 30.61g/t
GAGC0340:	4.26m @ 47.94g/t
GAGC0342:	5.96m @ 18.62g/t
GAGC0343:	6.58m @ 2.44g/t including 0.50m @ 15.50g/t
GAGC0344:	7.55m @ 13.40g/t including 2.50m @ 37.10g/t
GAGC0345:	3.04m @ 8.59g/t
GAGC0347:	2.93m @ 7.02g/t
GAGC0338:	1.52m @ 18.99g/t
GARD0139:	1.52m @ 14.46g/t including 0.52m @ 37.95g/t
GARD0141:	1.90m @ 14.04g/t including 0.25m @ 90.11g/t

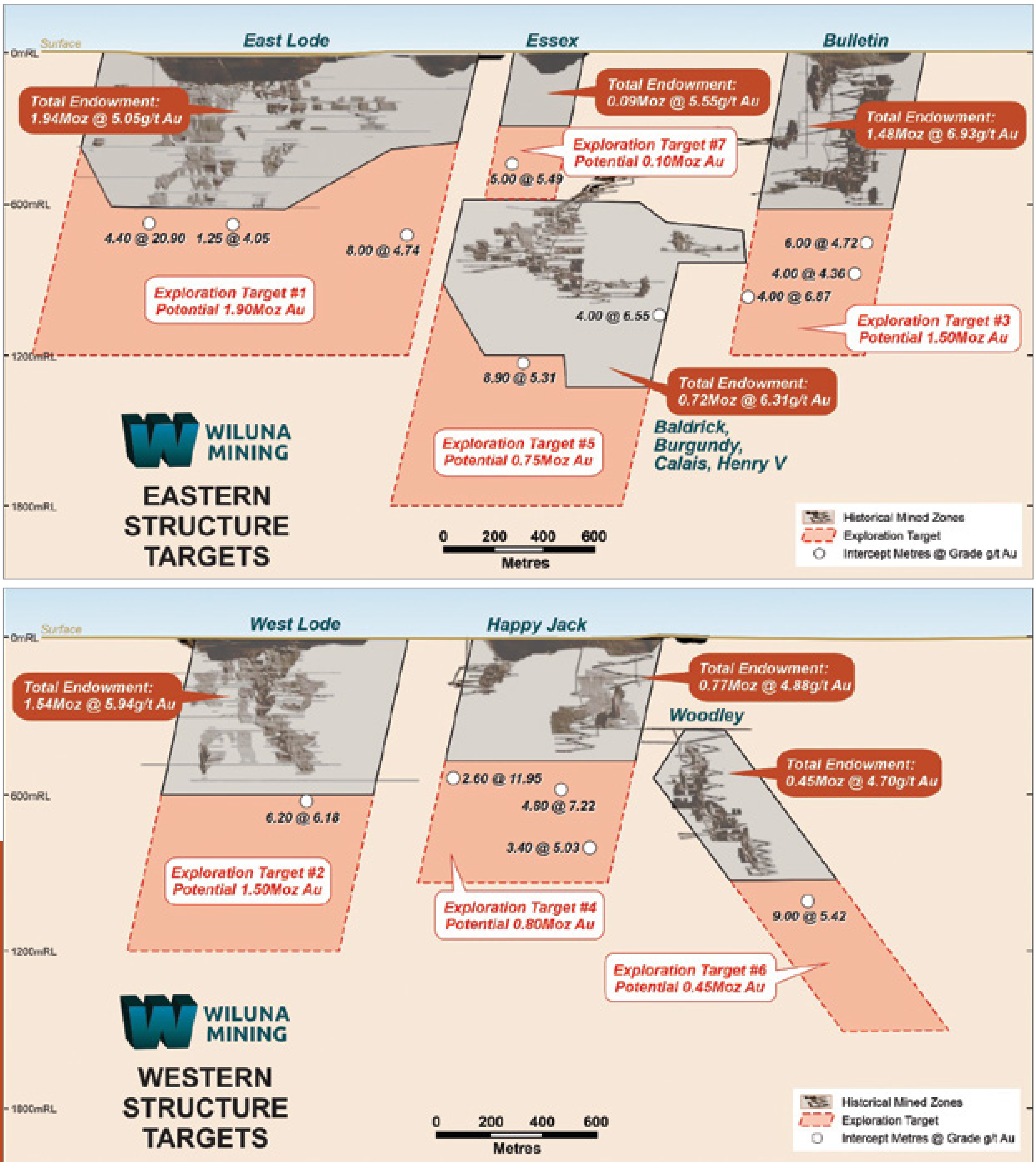
Figure 21: Golden Age long section showing assay results from infill and extensional drilling, yellow highlights are latest results. Further drilling is planned to test high-grade reef extensions down-plunge to the east in the target area shown.



EXPLORATION TARGETS DEFINED

The Company has defined an Exploration Target of 5Moz to 7Moz @ 4.5g/t to 7g/t (see ASX release dated 17 November 2020). The potential quantity and grade of the Exploration Target is conceptual in nature and is therefore an approximation. There has been insufficient exploration drilling to estimate a Mineral Resource in the target areas, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Targets are based on extensive historical mining and drilling data and resource estimates, extrapolated into poorly tested areas where very wide-spaced previous drilling shows the structures do persist at depth, in places at similar grades. Previous drill holes, spaced several hundred metres apart, returned

Figure 22: Long sections looking west of the two main mineralised structures within the Wiluna Mining Centre, showing total endowment (produced gold plus current resource), historical intercepts and the Exploration Targets.



EXPLORATION TARGETS (continued)

varying results but are considered too broad-spaced to have properly tested for high-grade shoots that contain the bulk of the ounces at the Wiluna Mining Centre.

In line with the Company's major ongoing resource and reserve development program, drilling and geophysical work is planned over the next 1 to 5 years to systematically test these targets.

In February 2021, the Company completed the acquisition of 48km of seismic traverse lines across the Wiluna Mining Centre. The main objective of the survey was to map to a depth of 2.5km the gold structures and the geological architecture that hosts high-grade mineralisation; this survey depth extends well beyond the currently defined resource that is situated mainly from surface to 600m and at its deepest point is currently defined to only 1.2km below surface.

The survey confirmed that prospective large-scale structures at the Wiluna Mining Centre extend well beyond the current defined Mineral Resource limits. In addition, multiple parallel Wiluna look-alike structures have been identified that may represent a new camp-scale geological system (Figure 23). Given the success of these traverse lines in imaging the interpreted gold structures and geological features, the Company plans to undertake a full-scale three-dimensional seismic survey over the entire Wiluna Mining Centre. The full-scale three-dimensional survey is intended to identify drilling targets to test the Company's 5Moz to 7Moz Exploration Target.

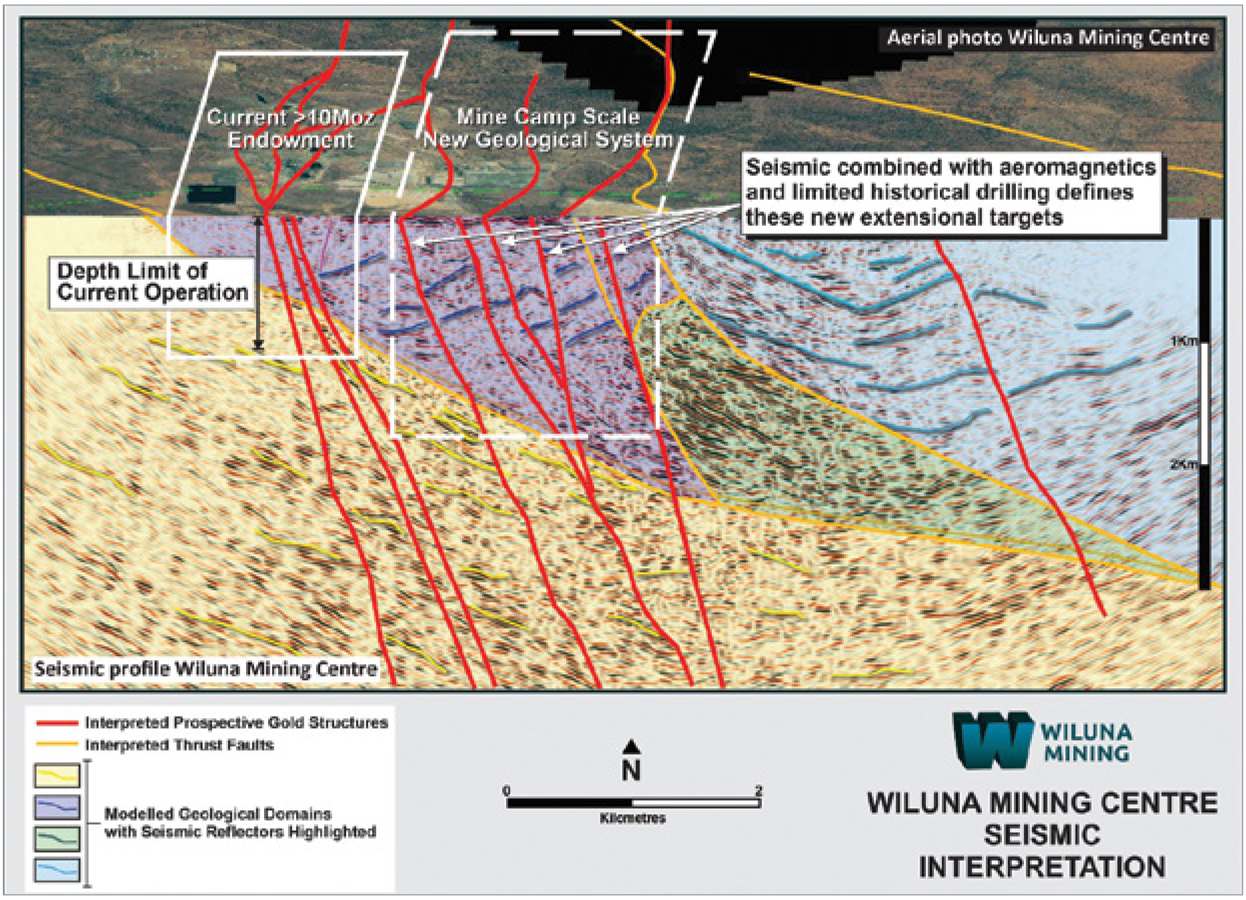


Figure 23: Seismic defines large-scale prospective gold structures at Wiluna Mining Centre.

Resources & Reserves

The statement of Mineral Resources and Ore Reserves presented in this Annual Report has been produced in accordance with the Australian Securities Exchange (ASX) Listing Rules Chapter 5, 2014, and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, December 2012 (JORC Code).

The information in this Annual Report relating to Mineral Resources and Ore Reserves is based on and fairly represents information and supporting documentation compiled by Competent Persons (as defined in the JORC Code). All Competent Persons have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person.

Gold Mineral Resource Estimate

The Company published its gold Mineral Resource Estimate in November 2020. The reader is referred to the ASX announcement dated 5 November 2020 for supporting information. Tables 5,6,7 show the Mineral Resource depleted for mine production as at 30 June 2021.

The Mineral Resource inventory includes the Wiluna deposits (Wiluna Mining Centre), Matilda deposits, Lake Way deposits, and regional deposits, in addition to existing stockpiles and historical tailings available for re-treatment.

The Company's 2021 gold Mineral Resource Estimate reflects the final mining depletion from the Williamson pit (Lake Way Mining Centre) and consequential increase in stockpiles, as well as initial underground stoping activity in the Golden Age deposit (at the Wiluna Mining Centre).

Surface mining until February 2021 from the Williamson pit has reduced the Mineral Resource at Lake Way by 21% or 56,000 ounces, with 12% of the residual Mineral Resource remaining in the Measured category. It should be noted that Williamson ore constitutes almost 60% of the current Measured Stockpile with 485,000 tonnes awaiting processing.

Underground extraction in the past 12 months has centred on the Golden Age free-milling deposit. Initial stopes in the 800, 854 and 858 Levels have provided valuable high-grade contributions to the baseload Williamson pit feed. The small Mineral Resource reported previously in Golden Age has reduced by 23% or 6,600 ounces.

Re-modelling of the Moonlight/Squib (Wiluna) deposits is currently being undertaken following review of previous estimation parameters. However, expected changes are not considered material to the current reported Mineral Resource.

During FY 2021, the Company completed over 112,000 metres of resource development drilling and is in the process of updating Mineral Resources and Ore Reserves to underpin the in-progress Sulphide Development Feasibility study. The resource development drilling was focussed on infilling Inferred Resource areas and extension drilling to grow the Mineral Resource at key areas that will be mined in the next 1 to 5 years. Drilling has focussed on high-grade mining zones located at shallow depths and close to existing infrastructure to deliver lower costs per ounce developed. Therefore, the Company expects a significant improvement to Mineral Resources and Ore Reserves when modelling is completed.

Extensive re-modelling has commenced to update Mineral Resource based on results from the unprecedented drilling expenditure at Wiluna. An updated Mineral Resource Estimate is planned in the December quarter 2021.

The deposits at the Wiluna Mining Centre are the primary focus of Wiluna Mining in delivering on the Wiluna Sulphide Development Plan. Mining studies are being conducted with the assistance of external consultants, assessing various mining options ranging from selective high-grade stoping, underground bulk mining, open pit methods, or a combination of these options. In addition to tabulating the global Mineral Resource, Wiluna Mining has chosen to report the Mineral Resource at the Wiluna deposits in separate tables using cut-offs at 0.4 g/t, 1.0 g/t, and 2.5 g/t Au to provide transparency to the scale of these deposits that could be representative of each mining scenario, whilst initial studies are being finalised.

The Mineral Resource for the Wiluna deposits reported at various gold cut-offs is tabulated in Tables 5,6,7. The Wiluna deposits have been compiled under the Wiluna Mining Centre heading and reported at various cut-offs due to the ongoing assessment by the Company of various mining options to fully optimise the mining methods that align with the Company's Sulphide Development plan.

Table 5: Gold Mineral Resource Summary with Wiluna Mining Centre cut-off > 1.0g/t.

Wiluna Mining Corporation Mineral Resource Summary												
Mining Centre	TOTAL MINERAL RESOURCES											
	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Wiluna	0.14	5.15	24	22.66	3.59	2,615	37.27	2.62	3,137	60.07	2.99	5,776
Matilda	-	-	-	3.51	1.51	170	1.41	2.43	110	4.93	1.77	281
Lake Way	0.63	1.23	25	0.94	0.94	48	3.480	1.19	134	5.05	1.283	207
Galaxy	-	-		0.13	0.13	12	0.16	2.98	15	0.28	3.02	28
Sub Total	**0.78**	**1.96**	**49**	**27.23**	**27.23**	**2,846**	**43.32**	**2.50**	**3,396**	**70.33**	**2.78**	**6,291**
TAILINGS & STOCKPILES												
Tailings	-	-	-	33.16	0.57	611	-	-	-	33.16	0.57	611
Stockpiles	0.86	0.92	25	3.03	0.50	49	-	-	-	3.89	0.59	74
Sub Total	**0.86**	**0.92**	**25**	**36.19**	**0.57**	**660**	**-**	**-**	**-**	**37.05**	**0.58**	**685**
Global Total	**1.64**	**1.41**	**74**	**63.42**	**1.72**	**3,506**	**42.32**	**2.50**	**3,396**	**107.38**	**2.02**	**6,976**

Wiluna Mining Corporation Mineral Resource Summary												
Reporting Cut-Off g/t Au	TOTAL MINERAL RESOURCES (WILUNA DEPOSITS ONLY)											
	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
0.4	0.28	2.97	27	38.97	2.37	2,967	66.69	1.77	3,804	105.94	2.00	6,798
1.0	0.14	5.15	24	22.66	3.59	2,615	37.27	2.62	3,137	60.07	2.99	5,776
2.5	0.11	6.45	22	12.52	5.25	2,113	14.27	4.57	2,099	26.90	4.90	4,234

Notes Table 5:

1. Mineral Resources are reported inclusive of Ore Reserves.
2. Tonnes are reported as million tonnes (Mt) and rounded to the nearest 10,000; gold (Au) ounces are reported as thousands rounded to the nearest 1,000.
3. Data is rounded to reflect appropriate precision in the estimate which may result in apparent summation differences between tonnes, grade, and contained metal content.
4. Wiluna Mineral Resource includes deposits within the Wiluna Mining Centre and the Regent deposit and are reported at a 1g/t Au cut-off.
5. Matilda Mineral Resource is a summation of 8 separate Matilda deposits each reported at 0.4g/t Au cut-off within an A$2,900/oz shell and at 2.5g/t below the pit shell, and the shallow Coles Find deposit which has been reported at a 0.4g/t Au cut-off.
6. Lake Way Mineral Resource includes the Carrol, Prior, Williamson South deposits, and the operating Williamson deposit. Each deposit has been reported at 0.4g/t Au cut-off within an A$2,900/oz shell and at 2.5g/t below the pit shell.
7. Tailings Mineral Resource includes material in Dam C, Dam H, and backfilled pits at Adelaide, Golden Age, Moonlight, and Squib.
8. Competent Persons: Graham de la Mare, Marcus Osiejak

Table 6: Gold Mineral Resource Summary with Wiluna Mining Centre cut-off > 2.5g/t.

Wiluna Mining Corporation Mineral Resource Summary												
Mining Centre	**TOTAL MINERAL RESOURCES**											
	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Wiluna	0.11	6.45	22	12.52	5.25	2,113	14.27	4.57	2,099	26.90	4.90	4,234
Matilda	-	-	-	3.51	1.51	170	1.41	2.43	110	4.93	1.77	281
Lake Way	0.63	1.23	25	0.94	1.61	48	3.48	1.19	134	5.05	1.28	207
Galaxy	-	-	-	0.13	3.08	12	0.16	2.98	15	0.28	3.02	28
Sub Total	**0.74**	**1.99**	**47**	**17.10**	**4.27**	**2,344**	**19.32**	**3.80**	**2,358**	**37.16**	**3.98**	**4,750**
TAILINGS & STOCKPILES												
Tailings	-	-	-	33.16	0.57	611	-	-	-	33.16	0.57	611
Stockpiles	0.86	0.92	25	3.03	0.50	49	-	-	-	3.89	0.59	74
Sub Total	**0.86**	**0.92**	**25**	**36.19**	**0.57**	**660**	**-**	**-**	**-**	**37.05**	**0.58**	**685**
Global Total	**1.60**	**1.41**	**73**	**53.28**	**1.75**	**3,004**	**19.32**	**3.80**	**2,358**	**74.21**	**2.28**	**5,435**

Wiluna Mining Corporation Mineral Resource Summary												
Reporting Cut-Off g/t Au	**TOTAL MINERAL RESOURCES (WILUNA DEPOSITS ONLY)**											
	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
0.4	0.28	2.97	27	38.97	2.37	2,967	66.69	1.77	3,804	105.94	2.00	6,798
1.0	0.14	5.15	24	22.66	3.59	2,615	37.27	2.62	3,137	60.07	2.99	5,776
2.5	0.11	6.45	22	12.52	5.25	2,113	14.27	4.57	2,099	26.90	4.90	4,234

Notes for Table 6 as for Table5, with the exception that Wiluna Mineral Resource includes deposits within the Wiluna Mining Centre and the Regent deposit reported above a 2.5g/t Au cut-off.

Table 7: Gold Mineral Resource Summary with Wiluna Mining Centre cut-off > 0.4g/t.

Wiluna Mining Corporation Mineral Resource Summary												
Mining Centre	**TOTAL MINERAL RESOURCES**											
	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Wiluna	0.28	2.97	27	38.97	2.37	2,967	66.69	1.77	3,804	105.94	2.00	6,798
Matilda	-	-	-	3.51	1.51	170	1.41	2.43	110	4.93	1.77	281
Lake Way	0.63	1.23	25	0.94	1.61	48	3.48	1.19	134	5.05	1.28	207
Galaxy	-	-	-	0.13	3.08	12	0.16	2.98	15	0.28	3.02	28
Sub Total	**0.91**	**1.76**	**52-**	**43.54**	**2.28**	**3,198**	**71.74**	**1.76**	**4,063**	**116.19**	**1.96**	**7,313**
TAILINGS & STOCKPILES												
Tailings	-			33.16	0.57	611	-	-	-	33.16	0.57	611
Stockpiles	0.86	0.92	25	3.03	0.50	49	-	-	-	3.89	0.59	74
Sub Total	**0.86**	**0.92**	**25**	**36.19**	**0.57**	**660**	**-**	**-**	**-**	**37.05**	**0.58**	**685**
Global Total	**1.78**	**1.35**	**77**	**79.73**	**1.51**	**3,858**	**71.74**	**1.76**	**4,063**	**153.25**	**1.62**	**7,999**

Wiluna Mining Corporation Mineral Resource Summary												
Reporting Cut-Off g/t Au	**TOTAL MINERAL RESOURCES (WILUNA DEPOSITS ONLY)**											
	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
0.4	0.28	2.97	27	38.97	2.37	2,967	66.69	1.77	3,804	105.94	2.00	6,798
1.0	0.14	5.15	24	22.66	3.59	2,615	37.27	2.62	3,137	60.07	2.99	5,776
2.5	0.11	6.45	22	12.52	5.25	2,113	14.27	4.57	2,099	26.90	4.90	4,234

Notes for Table 7 as for Table5, with the exception that Wiluna Mineral Resource includes deposits within the Wiluna Mining Centre and the Regent deposit reported above a 0.4 g/t Au cut-off.

Gold Ore Reserve Estimate

The Company published its gold Ore Reserves in March 2021 (refer ASX release 16 March 2021). The reader is referred to this ASX announcement for supporting information. Table 8 shows the Ore Reserve depleted for mine production as at 30 June 2021.

The 2020 financial year saw Wiluna Mining transition from the mining of surface free milling deposits to predominately underground operations. With the completion of mining at the Williamson pit and the establishment of the underground Sulphide Development plan to establish ore for the initial steppingstone Stage 1 Sulphide processing plant.

Whilst continuing to mine the free-milling Golden Age deposit, underground development is focused initially in the top 600 vertical metres in the Bulletin, Happy Jack, and Essex sulphide zones. These areas are dewatered and close to existing decline access leading to low cost, low risk production. Production from these readily available areas will underpin the staged sulphide development and provide early access to future production areas as the ongoing resource drilling program targets Inferred Resource areas for conversion to Indicated and Measured Resource categories.

Updating mine designs and development schedules based on the new resource models has commenced and will culminate in the release of an Ore Reserve update and mine plan, as part of the Sulphide Stage Two Feasibility Study in the March quarter 2022.

Table 8: 2020 Ore Reserve (depleted as at 30 June 2021) Summary

Wiluna Mining Corporation 2020 Ore Reserve (Depleted to 30 June 2021) Summary

Mining Centre	DEPLETED OPEN PIT RESERVES								
	Proved			Probable			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Williamson	-	-	-	-	-	-	-	-	-
Wiluna[1]	0.20	1.80	11.8	0.24	2.28	17.4	0.44	2.06	29.2
Stockpiles	0.68	0.97	21.0	-	-	-	0.68	0.97	21.0
Wiltails[2]	-	-	-	31.64	0.57	578.9	31.64	0.57	578.9
Sub Total	**0.88**	**1.16**	**32.8**	**31.88**	**0.58**	**596.3**	**32.76**	**0.60**	**629.1**

Mining Centre	DEPLETED UNDERGROUND RESERVES								
	Proved			Probable			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Golden Age	-	-	-	-	-	-	-	-	-
East West[3]	0.13	5.12	20.7	0.51	4.47	72.9	0.63	4.60	93.6
Bulletin[4]	-	-	-	1.98	4.50	286.1	1.98	4.50	286.1
Happy Jack[5]	-	-	-	0.80	4.59	117.9	0.80	4.59	117.9
Burgundy[6]	-	-	-	0.92	5.50	162.8	0.92	5.50	162.8
Sub Total	**0.13**	**5.12**	**20.7**	**4.21**	**4.73**	**639.7**	**4.33**	**4.74**	**660.4**

Mining Centre	DEPLETED UNDERGROUND RESERVES								
	Proved			Probable			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Total	**1.01**	**1.65**	**53.5**	**36.08**	**1.07**	**1,236.0**	**37.09**	**1.08**	**1,289.5**

Explanatory Notes:

1. Wiluna open pit mining centre includes reserves from Golden Age and Squib open pit mining areas.
2. Wiltails Ore Reserve includes reclaimed tailings material in Tailings Storage Facilities C, H and Western Extension and backfilled pits at Adelaide, Golden Age, Moonlight and Squib
3. East West underground mining centre includes reserves from East West and Calvert underground mining areas.
4. Bulletin underground mining centre includes reserves from Bulletin Upper/Lower, Woodley and Henry V underground mining areas.
5. Happy Jack underground mining centre includes reserves from Happy Jack North/Central and Essex underground mining areas.
6. Burgundy underground mining centre includes reserves from Burgundy and Baldrick underground mining areas.
7. Tonnes are reported as million tonnes (Mt) and rounded to the nearest 10,000; grade reported in grams per tonne (g/t) to the nearest hundredth; gold (Au) ounces are reported as thousands rounded to the nearest 100.

Depletion of the Open Pit Ore Reserves consisted of the mining of the remaining 0.41 Mt @ 1.60g/t for 21.0 koz contained in the Williamson pit and processing of 0.10 Mt @ 2.81g/t for 8.65 kozs of stockpile material. Extraction of Golden Age underground material is not represented in the depleted Ore Reserve as economic mineralisation was mined outside of the JORC Compliant Mineral Resource and was therefore not included within the reported 2020 Mineral Resource and Ore Reserve statements.

Minimal development of the Bulletin resource area, for the purpose of establishing underground stope production, has been incorporated into the depletion table, however the quantity of this ore is insignificant (2,773 t @ 3.43 g/t for 306 ozs), resulting in no change in the reported table as at 30 June 2021 owing to rounding error.

Forward Looking Statements

This announcement includes certain statements that may be deemed 'forward looking statements'. All statements that refer to any future production, Resources or Reserves, exploration results and events or production that Wiluna Mining Corporation Ltd expects to occur are forward looking statements. Although the Company believes that the expectations in those forward looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially from the outcomes. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward looking statements. The Company does not assume any obligation to update or revise its forward looking statements, whether as a result of new information, future events or otherwise.

Competent Persons Statement:

The information contained in the report that relates to Exploration Targets and Exploration Results at the Matilda Wiluna Gold Operation ('Operation') is based on information compiled or reviewed by Mr Cain Fogarty, who is a fulltime employee of the Company. Mr Fogarty is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fogarty has given consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to gold Mineral Resources for the Wiluna, Lake Way and Regent Mining Centres is based on information compiled or reviewed by Mr Graham de la Mare, a Competent Person who is a Fellow of the Australian Institute of Geoscientists. Graham de la Mare was a fulltime employee of Wiluna Mining Corporation and 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 'Australasian Code for Reporting of Exploration Results, Mineral Results, Mineral Resources and Ore Reserves'. Graham de la Mare consents to the inclusion in this announcement of statements based on this information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to gold Mineral Resources for the Matilda, Galaxy and WilTails Mining Centres is based on information compiled or reviewed by Mr Marcus Osiejak, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Marcus Osiejak was a fulltime employee of Wiluna Mining Corporation and 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 'Australasian Code for Reporting of Exploration Results, Mineral Results, Mineral Resources and Ore Reserves'. Marcus Osiejak consents to the inclusion in this announcement of statements based on this information in the form and context in which it appears.

Competent Persons Statement: Ore Reserves

The information in the report to which this statement is attached that relates to Surface Ore Reserves for the Williamson and Wiluna Mining Centre, as well as surface stockpiles and tailings retreatment (Wiltails project) is based on information compiled or reviewed by Mr Andrew Hutson, a Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM Member No. 920705). Andrew is a full-time employee of Mining Consultancy, Mining Plus Pty Ltd and 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 'Australasian Code for Reporting of Exploration Results, Mineral Results, Mineral Resources and Ore Reserves'. Andrew consents to the inclusion in this announcement of statements based on this information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to Underground Ore Reserves for the Wiluna Mining Centres is based on information compiled or reviewed by Mr Glenn Van Vlemen, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM Member No. 109265). Glenn was a full-time employee of Mining Consultancy, Mining Plus Pty Ltd and 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 'Australasian Code for Reporting of Exploration Results, Mineral Results, Mineral Resources and Ore Reserves'. Glenn consents to the inclusion in this announcement of statements based on this information in the form and context in which it appears.

Corporate, People and ESG

Position and Performance

- Cash & bullion at 30 June 2021 was $58.7m comprised cash of $54.1m, and gold bullion on hand with a market value of $4.7m (Mar'21: $10.7m).
- Net debt at 30 June 2021 was $1.4m (Mar'21: $3.6m net cash).
- At 30-06-21 gold hedging contracts in place with Mercuria were 162,500oz @ ~A$2,427/oz by 31-May-25, with mark-to-market position of $5.9m.
- In June, the Company drew down on a Term Loan with Mercuria for US$42 million. The Tranche 2 loan has a 48-month tenor, with a grace period of 6 months (during which the Company will pay only the interest component) before monthly repayments commence for the remaining term of the loan. The loan interest cost will be LIBOR + 9.5%. The package included 159,000oz of gold hedging @ US$1,820.30/oz, maturing over the term of the loan. The loan and hedging facilities are secured. The Tranche 1 Gold Prepaid Swap was fully repaid on 29 July 2021.
- With continuing improvements in operating performance, and new proceeds from debt and equity transactions, the Company was able to continue to improve its balance sheet and significantly advance an aggressive development profile.
- Equity raises during the year totalled $63,586,505.
- Key investment activities during the year included the commencement of the Stage 1 Development, with concentrator construction now 90% complete, underground mine development well advanced and the Resource / Reserve drilling for Stage 2 Feasibility due to be completed by August 2021 and the Feasibility Study itself completed in Q1 CY 2022.

Table 9: Summary Financial Performance & Position

Summary Financial Performance & Position	Jun-21 $'M	Jun-20 $'M	Change (%)
Revenue from gold & silver sales	131	127	3%
Gross profit from operations	21	1	2000%
Cash & bullion[1]	59	11	436%
(Net debt) / net cash & bullion	-1	11	N/A
Net cash inflows from operating activities	34	14	143%
Net cash used in investing activities	-99	-43	130%
Gold production (ounces)	51,552	61,885	-17%
Gold sales price achieved (A$/oz)	2,629	2,131	23%
All-in sustaining cost (A$/oz)	1,794	1,950	-8%

1. Bullion includes gold bullion on hand valued at the prevailing spot gold price on 30 June.

Table 10: Quarterly Cashflow Summary

Quarterly Cash Flows	Sept 2020 (A$000)	Dec 2020 (A$000)	Mar 2021 (A$000)	Jun 2021 (A$000)	TYD (A$000)
Cash flows from operations					
Gold Sales Revenue at Spot	30,903	35,934	29,634	30,940	127,411
Operating Costs	(27,730)	(23,757)	(20,140)	(13,242)	(84,868)
Net Operating Cash Flows	**3,174**	**12,177**	**9,494**	**17,698**	**42,543**
Net Corporate/Admin	(1,463)	(1,737)	(1,116)	(1,358)	(5,674)
Net Interest Expense	(653)	(554)	(454)	(761)	(2,422)
Realised Treasury Gain/(Loss)	(1,052)	901	4,192	1,847	5,887
Working Capital Movements	(6,133)	(2,822)	12,395	(9,892)	(6,451)
Net Operating Cash Flows	**(6,126)**	**7,965**	**24,510**	**7,533**	**33,882**
Investing Activities					
Open Pit Pre-production Mining	(299)	(396)	-	-	(695)
Underground Pre-production Mining	(2,125)	(8,537)	(10,511)	(20,269)	(41,442)
Site Administration pre-production	-	-	-	(2,274)	(2,274)
Property, Plant & Equipment	(325)	(3,847)	(8,940)	(14,304)	(27,416)
Geology & Studies	(8,339)	(5,795)	(7,272)	(5,346)	(26,752)
Aquisitions/Sale of Assets	(141)	(367)	-	(227)	(735)
Financing Activities					
Net Proceeds from Equity issued	-	21,375	4,913	34,347	60,635
Debt Drawdowns, net of fees	21,206	690	282	55,609	77,788
Debt Principal Repayments	(3,525)	(5,307)	(5,385)	(5,507)	(19,724)
Repayment of lease liabilities relating to Right of Use Assets	(2,060)	(2,060)	(2,107)	(1,699)	(7,927)
Other	66	7	512	(753)	(167)
Net Cash Flows	**(1,668)**	**3,730**	**(3,999)**	**47,110**	**45,173**
Cash and cash equivalents at beginning of the period	**8,904**	**7,236**	**10,965**	**6,967**	**8,904**
Cash and cash equivalents at end of the period	**7,236**	**10,965**	**6,967**	**54,077**	**54,077**
Gold Bullion	5,949	4,146	3,724	4,651	4,651
Closing Cash & Bullion	**13,186**	**15,111**	**10,691**	**58,728**	**58,728**

UK Dual listing update

During the year the Company advanced its investigation into dual listing on the London Stock Exchange main Board. At this stage, subject to conditions being favourable to list, the Company intends to dual list on the LSE by the end of FY 2022.

Responsible Mining-Safety

The Company is pleased to report that it maintained its high safety standards and that there were no major accidents or incidents at site for the quarter. The 12-month TRIFR for the site was 5.0.

With such diverse activities taking place on the site, safety is constantly in focus. The Company is pleased to report that there were no major accidents at the site for the year. The 12-month LTIFR for the site was 4.8.

During the year, the Company continued to implement substantial measures to ensure the safety of all of its personnel, contractors, suppliers and community in response to COVID-19. We are pleased to report that there were no COVID-19 incidents at site or at the Perth office during the year or subsequently to the year end. The Company will continue to maintain these measures and will closely monitor the situation at both the site and Perth office for as long as the pandemic continues. We can report that despite these measures, the result of the impact of the virus on the Group's operations has been minimal.

Table 11: Safety Metrics for the Financial Year

	FAI	MTI	RWI	LTI	Total	AIFR	TRIFR	LTIFR
12 Months	76	3	0	5	84	84	5	4.8


Wiluna 166
Meekatharra 350

WILUNA MINING

Sustainability

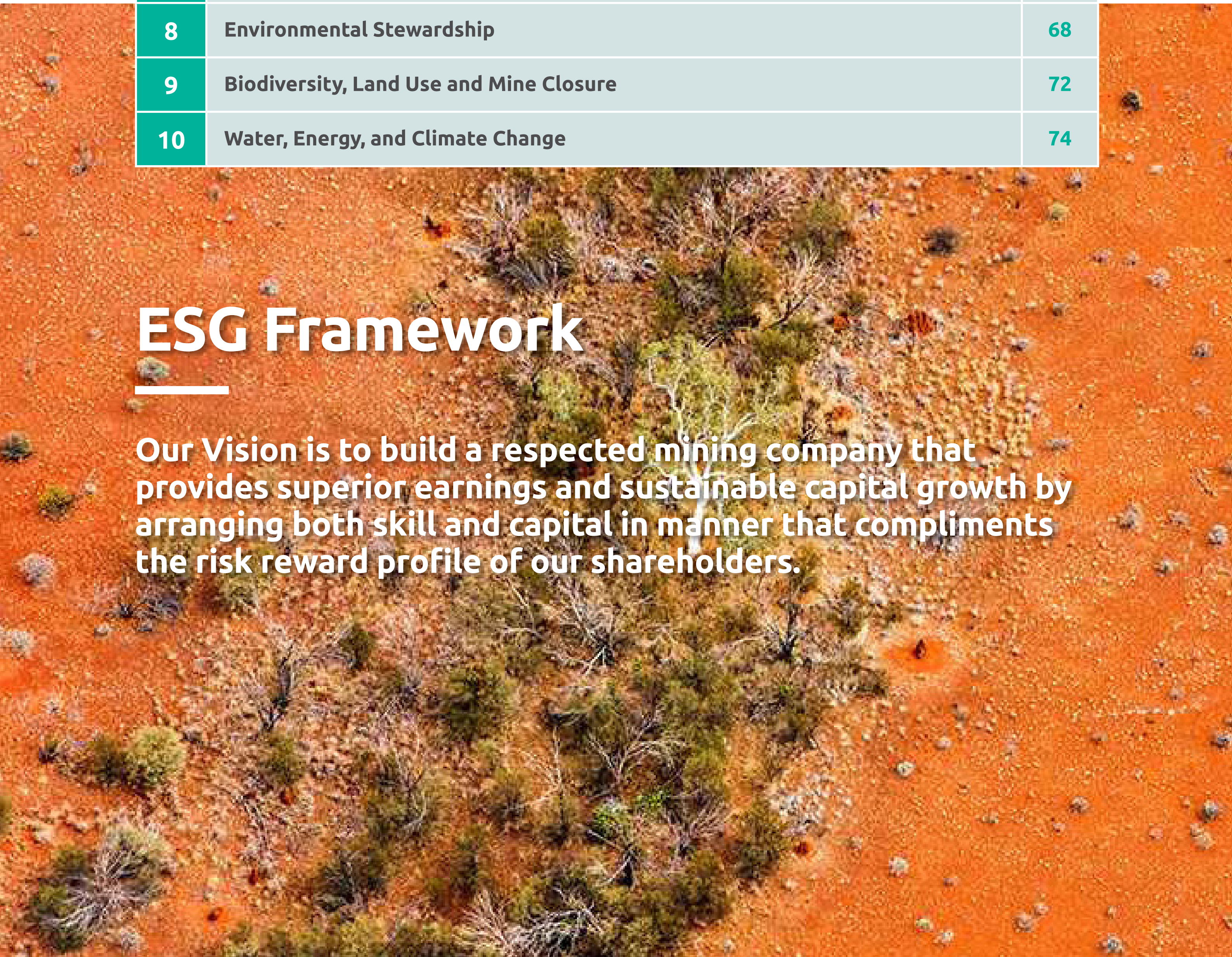
ENVIRONMENTAL, SOCIAL & GOVERNANCE

2021

Contents

ESG Framework

Our Vision is to build a respected mining company that provides superior earnings and sustainable capital growth by arranging both skill and capital in manner that compliments the risk reward profile of our shareholders.



Our Goals

Striving towards **good industry practice** in Environmental, Social and Governance (ESG) will help Wiluna Mining align with its Values to:

- Reduce costs
- Preserve resources (regenerative capacity)
- Enhance reputation & trust
- Differentiate from others
- Attract quality employees
- Satisfy customer needs
- Meet stakeholder expectations (incl. civil society)
- Collaborative engagement with Regulators
- Attract capital investment
- Capitalise on new opportunities
- Demonstrate transparency.

Our Values

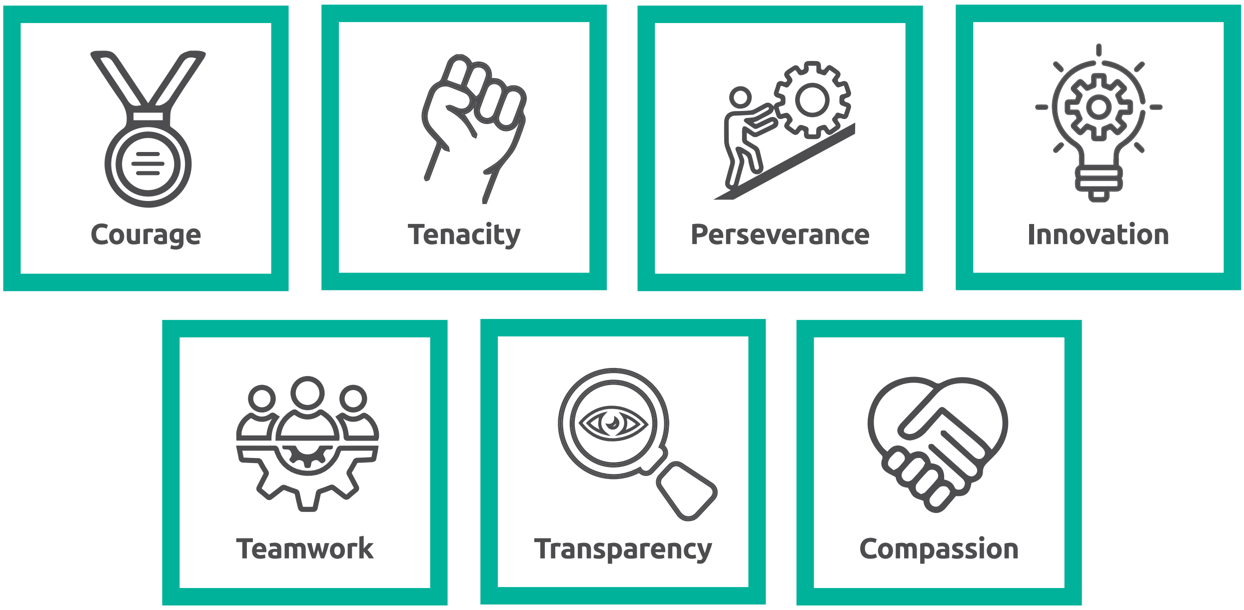


Figure 1 Wiluna Mining Values

Wiluna Mining refers to the Responsible Gold Mining Principles (RGMP) of the World Gold Council as a framework which guides the industry towards Good International Industry Practice (GIIP) in ESG.

We have evaluated the RGMP and prioritised our efforts to align with the it. Not all of the matters prescribed by these principles are relevant to Wiluna Mining, nor do we strive towards comprehensive alignment. Instead, we refer to the RGMP and other industry codes for insight into our application of GIIP.

By way of example, Wiluna Mining has developed standards and protocols which align to the requirements of ISO, the International Organisation for Standardisation. However, the company is not pursuing certification against ISO standards at present.

ESG matters are integrated within our management of the business and some are cross referenced or detailed elsewhere in this report. Wiluna Mining reports on ESG and its performance in general alignment with the 10 Responsible Gold Mining Principles. Like other codes for the resources sector, the RGMP refers to good practice which may contribute to the Sustainable Development Goals (SDG) of the United Nations.

Some companies in the resources sector, undertake public reporting on ESG performance, with reference to the Global Reporting Initiative, or GRI. The World Economic Forum (WEF) has adapted the GRI and performance indicators from other bodies to develop generic indicators. Wiluna Mining has detailed its performance in alignment to some of these performance indicators and where these may also support the UN - SDGs.

> Our trained emergency responders personify WMC values of courage, tenacity, perseverance, innovation, teamwork, transparency and compassion.

The ESG matters detailed in this report will be of interest to our employees, customers, supply chain and partners, local communities, government and civil society. We also recognise the importance of detailing ESG matters which may be material to our creation of value.

Part of our rationale to align our ESG reporting framework to the RGMP is in consideration of 'Material Topics' outlined by the GRI.

Sections and Commitments of the RGMP accommodate material topics of interest to gold-mining stakeholders. More is said on this in Understanding Impacts.

Material topics may also have 'boundaries' in area; in cause; or involvement. Our report provides some boundaries, or context for the material topics and stakeholders related to :

- Communities of Interest in 'Lands' or the environment
- Shareholding
- Social Licence to Operate
- Customers or supply chain
- Mining industry peers
- ESG Information integrity/control
- Permitting
- Operational interruption/Project continuity
- Minor recurring issues

This is our first report to systematically cover ESG (material topics) as the building of our ESG framework progresses. We have presented the data as records avail and with practicality of effort. In our future reports we will strive to present targets and other KPIs.

Figure 24: Expecting the unexpected.

Figure 25: Responsible Gold Mining Principles (WGC) - Generalised

1. Ethical conduct	Conduct business with integrity and absolute opposition to corruption.
2. Understanding impacts	Engage with stakeholders and implement management systems to understand and manage impacts, realise opportunities and provide redress.
3. Supply chain	Suppliers to conduct businesses ethically and responsibly.
4. Safety and health	Protect and promote OHS of employees and contractors as the highest priority and encourage reporting of unsafe work.
5. Human rights and conflict	Respect human rights of the workforce and Communities of Interest.
6. Labour rights	Employees and contractors treated with respect, free of discrimination or abusive labour practices.
7. Working with communities	Advance socio-economics in Communities of Interest with dignity and respect.
8. Environmental stewardship	Ensure environmental responsibility is core to the business.
9. Biodiversity, land use and mine closure	Protect fragile ecosystems, critical habitats and endangered species from damage and plan for responsible mine closure.
10. Water, energy, and climate change	Improve efficiency of water and energy use, recognising the climate change and water constraints may risk the Social Licence.

1. Ethical Conduct

The 2021-Corporate Governance Statement is found on our website and details the committees and competencies of the members of the WMC Board and executives with respect to ESG.
An incentive scheme is in place (short and long-term) for the leadership team and with KPIs including safety performance.

During the reporting period, Non-Executive Director, Sara Kelly and executives, convened a Forum and Charter to report to the Board, on company developments in ESG.

We revised the Code of Conduct (Code). We sought to accommodate the matters prescribed by the RGMP and cross matched our approach to other companies which mine gold.

The Code remains unchanged in reflecting our vision to build a respected mining company and commits us to conduct business with integrity and absolute opposition to corruption. During the reporting period no incidents of corruption were reported.

We refreshed our company leaders on the Code at our Strategy Workshop in April 2021. Teams at the Wiluna Mining Operation have also been reacquainted with the Code and policies found on our website, intranet and General Induction.

Table 12: Wiluna Mining – Economic Contributions

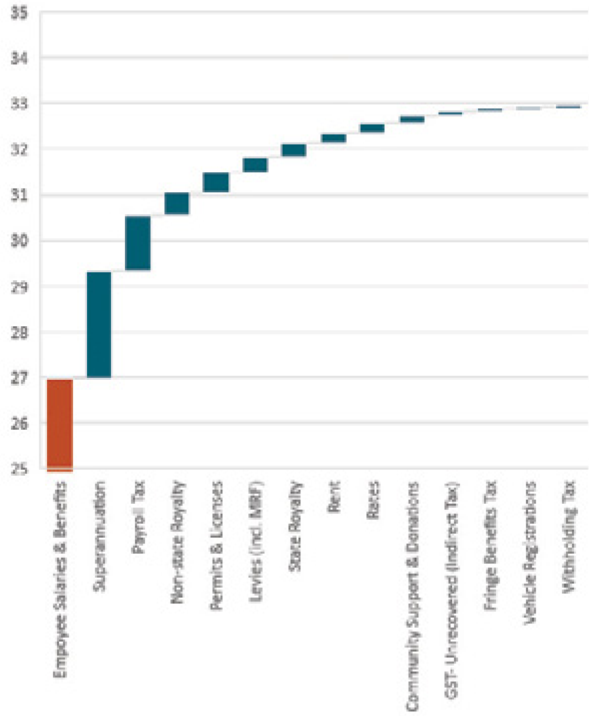
Indictor/Metric	2021 A$'000	2020 A$'000
Total Economic Contribution	214,312	191,668
Income tax	-	-
Witholding tax	-	-
Fringe Benefits Tax	79	40
Payroll Tax	1,222	1,184
GST-Unrecovered (Indirect Tax)	94	89
State Royalty	319	1,334
Non-state Royalty	493	1,859
Employee Salaries & Benefits	26,978	19,864
Superannuation	2,350	1,780
Rates	217	348
Rent	219	267
Levies (incl. MRF)	324	5
Community Support & Donations	153	151
Permits & Licences	452	531
Vehicle Registrations	17	7
Goods & Services in country	181,394	164,209

The Code applies to all directors, officers, employees, consultants, and contractors of Wiluna Mining (personnel).

This Code also applies, as far as is reasonably achievable, to our service providers, suppliers, and third-party contractors. To this end it serves as a Code of Conduct for our supply chain.

The Code overarches and integrates the Polices, Management Systems and Procedures ('Protocols')

Figure 26: Economic Contributions 2020-2021



of Wiluna Mining. Human Rights; and Social Responsibility Policies have also been rolled out and are embraced by the Code.

As part of the training to all parties on the Code, accessibility to the Whistleblower process was reiterated. The Code notes the Whistleblower Policy may apply to matters ranging from allegations of corruption, human rights violations by the company or in its supply chain; and grievances from communities of interest, personnel, or about environmental management.

The economic contribution of Wiluna Mining is detailed in the table to the left and for 2021 above. It lists the contributions often reported in jurisdictions where the Extractive Industries Transparency Initiative (EITI) is adopted. WMC is a sole entity absent of parent or subsidiary bodies to which any transfer payments might be made.

Wiluna Mining is a member of AMEC, the Association of Mining and Exploration Companies. AMEC has an advocacy role on ESG, amongst other things.

2. Understanding Impacts

WMC is progressing with staged development of its operation as we have detailed elsewhere:

- STAGE 1 is approved by government to build and operate a sulphide circuit for the comminution, flotation, shipment and export of gold concentrate:
  - o Refurbishment and development of headings for underground mining are detailed in the Mining Proposal.
  - o Leaching the 'flotation tail'; reprocessing earlier tailings ('Wiltails'); and increasing the capacity of TSF K, both pending government.
- STAGE 2 will increase capacity of the sulphide circuit as in the statutory Mining Proposal.
- Both Stages 1 and 2 will be co-located with existing facilities for mining and mineral-processing; and therefore, well within the existing disturbances to the landscape. As such, it is envisaged there will be no additional, nor material changes in discharges or environmental impacts from this development.
- The operation and development stages are about 1km from the nearest residence.
- Environmental surveys have continued in the reporting period. No critically endangered, nor rare species of flora or fauna, occur in the vicinity of existing or the staged development described here.

Operation and interactions with mobile equipment present high risks. Fitness for work and fatigue are also high risk factors.

We have yet to identify any ESG risks to the company or others, which might have a materially adverse impact on our continued operation.

At our Strategy Workshop in 2021 we asked the Management Team to rank ESG issues which they foresee being material topics for stakeholders and for comparison with our own priorities. These material topics in ESG align with the RGMP and are charted for environmental issues in Figure 34.

Near Wiluna, our 'Communities of Interest' or directly-involved stakeholders include land-connected people, i.e. the Martu, as traditional custodians of the land, pastoralists and residents in and near town.

Indirectly-involved stakeholders have varying interests and influence in our operations. These stakeholders might include our employees, investors, our supply chain and customers, government, civil society and the wider community.

Given our management team has gauged the interest and influence of our stakeholders, we plan

> Lightning is a familiar risk to us all but we must be prepared and precautionary.

2. Understanding Impacts (continued)

to next survey the views of our stakeholders to calibrate our priorities in ESG.

We will resolve grievances related to our work as arising, in a fair, accessible, effective, & timely manner. Anyone raising such grievances in good faith, will not face discrimination or retaliation, as a result of raising their concerns.

Any party with a grievance is free to contact us openly for the matter to be considered, action taken and feedback provided. At any point in this process, or from the outset, a grievance may be addressed in confidence or according to the Whistleblower Policy (WMC website).

The WMC Board has an Audit and Risk Sub-committee. It covers, sustainability risks:

- Effectiveness of community relationships
- Protection of cultural heritage
- Workplace safety
- Good practice in storage of tailings
- Management of hazardous chemicals
- Control of exploration, mining and mineral processing
- Use of explosives.

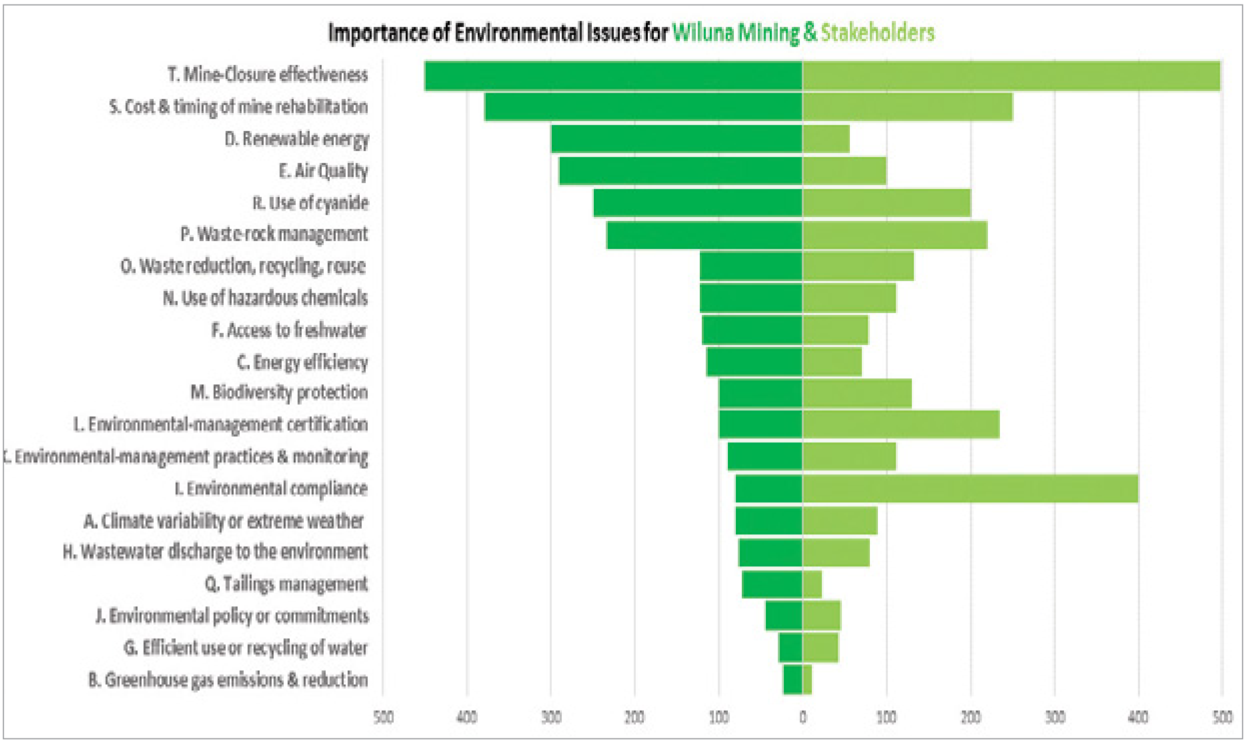


Figure 27: Our Priorities and Anticipated Views of Stakeholders on Environment

Figure 28: Construction for Supply Certainty

> “GRES leads the build of our concentrate plant and aligns well with our ESG goals.

3. Supply Chain

Supply-chain participants are required to follow the WMC Code of Conduct, in so far as it relates to their supply of goods, or services to the company.

We are reviewing the terms and conditions of supply-chain contracts, to improve our tracking and reporting of contract performance, notably with respect to ESG.

Some of our principal suppliers and service providers, which are state based and regionally focussed include:

- Drilling companies
- Underground mining contractors
- Construction contractors
- Suppliers of reagents e.g. sodium cyanide.

In our supply chain, there are, however, few small to medium enterprises (SMEs) at a local level. At present some of that work has focussed on building and maintenance of roads.

We recognise the benefits of helping SMEs to establish and build their capacity locally. We will describe our efforts to support this in our next public report. We aim to support meaningful employment for local Aboriginal people and build capacity for air and road logistics.

WMC has allowed a licenced ‘Prospector’ to recover gold from areas being sterilised for the placement and storage of mining wastes. Amateur prosecting is not allowed on WMC leaseholdings. Terms and conditions for the management of health, safety and environment form part of the contract template for this work. Other conditions have been included for:

- Respect of Human Rights and prevention of Modern Slavery.
- Notification and controls to protect Chance Finds of cultural heritage.

  Our mining contractor relies on responsible suppliers of explosives. We appreciate the initiative of these suppliers to raise awareness of their personnel to be precautionary in the use of their products. Notably this includes the protection of landscape features of cultural importance to Aboriginal people.
- Preventing the holding or use of mercury on site.
- Precautions on the mining or processing of ore which may contain harmful levels of mercury, arsenic or asbestiform minerals.

These standard terms and conditions will apply to new contracts for operational activities such as:

- The receival and Toll Treatment of ore.
- Exploration and excavation.

4. Safety & Health

Our Health and Safety Policy is found on our website and intranet.
Wiluna Mining Corporation has a clear objective to continually improve its Workplace Health and Safety performance through risk management, training, supervision, and consultation with employees. These processes are described by our management plan.

Visible Leadership from our managers and supervisors occurs in daily and weekly meetings with teams or informally with people in their workplaces. Periodically our executives speak with teams on performance updates and ESG initiatives.

The operation maintains an emergency response plan and trains for scenarios that may impact us onsite or outside the operation. Our Awareness and Preparedness for Emergencies at a Local Level includes liaison and mutual aid agreements with:

- The Department of Fire and Emergency Services (DFES); and
- Other mining companies including Northern Star, ACAP Mining and Blue Cap Mining.

Our Employees and those of site contractors join in this training. Supply-chain providers also maintain preparedness for use of highways to and from site.

During the year our emergency responders and Contractors (MLG, MACA and Byrnecut) supported Government Emergency Services to assist people in accidents on public roads and for vehicle recovery.

Throughout the reporting period the challenges of COVID 19 for our workforce were shared with the mining fraternity across Western Australia.

We have raised awareness of all people coming to site to be of good health and precautionary of symptoms. As eventuated during the year, lock down and restrictions to travel or work occurred, and government directives were followed. These mostly related to testing, hygiene practices, social distancing, and wearing of masks.

Our contingency plans also balance the need for site-based personnel to be flexible with their work rosters and be restricted in their travel, but also help us maintain continuous operation as far as possible.

> "In our work it is important to coach and care to reaffirm our headings and standards.

Figure 29: Visible Leadership

4. Safety & Health (continued)

> Our emergency responders are drawn from a range of occupations and workplaces across site and must be prepared for many eventualities.

Figure 30: Emergency Responders in Training

No employees or supply-chain personnel brought COVID 19 to site nor to our nearby Communities of Interest. Our precautionary approach for the wellness of our employees and the disruption to their routines saw absenteeism rise from 1.7 to 3.4 days per employee per year. This compared well to a rate of about 8 days per employee per year for all industry sectors in a survey by Synergy Health.

Occupational health risks for our employees relate to dust and chemical exposures. Employees working in our 'Gold Room' and mineral testing laboratory are protected by ventilation systems, their use of personal protective equipment (PPE), regular monitoring of dust levels and health tests. No adverse health impacts were recorded during the year for these employees.

Our partnership with the Ngangganawili Aboriginal Health Service (NAHS) in Wiluna helps us and the community have access to a range of medical services and treatment and in many cases return to work rather than needing travel to regional centres. In this way only three employees needed transport for medical aid with the Royal Flying Doctor Service (RFDS). WMC provided $100 K to support NAHS and $15K to the RFDS during the year.

Workers compensation insurance supported the costs of treatment and rehabilitation for six personnel injured during the year.

At the time of writing, three of them were rehabilitating. Their injuries included lower back pain, a strained shoulder and strained ankle ligaments. Two personnel injured in the 2019-2020 reporting period were completing their rehabilitation from injuries separately related to traversing uneven ground; and a rock fall.

No regulatory penalties were issued against the company for safety or health-related matters during the reporting period.

The ability to recognise and support people challenged in their emotional wellbeing or mental health is very much a concern for employees at remote mine sites and for local Aboriginal people who may be disadvantaged or marginalised.

A Government training initiative for responders to people with mental health challenges was supported by Wiluna Mining ($6,600), together with contributions from other companies. The awareness and skills learned will develop the capabilities of responders providing first aid.

4. Safety & Health (continued)

The schedule of the training programme extended into the 2021-2022 reporting period.

Our participants came from all departments and our Underground Mining Contractor, Byrnecut. We immediately noticed the interest and care of the group in training sessions and plan to continue running the course. In our workplaces, awareness themes such as 'RUOK' day offer a further reminder of care for others.

Participants in the mental-health course included mine site employees, local police, respected community members and health workers. The course was run by Blackbird Culture. The course followed leaning objectives in the Aboriginal and Torres Strait Islander - Mental Health First Aid Manual.

To drive improvement in safety performance in the 2021-2022 the operation will focus on:

- Actions from High Potential incidents
- Visible Leadership contacts
- Shared Inspection of workplaces
- Training for Incident Investigations.

Safety Performance Indicators are compiled and used by Workplace Safety Representatives and workplace teams and in management reporting. Year on year performance is compared in the following table.

Table 13: Safety Performance Indicators

Indicator	2019-2020	2020-2021
Workplace Inspection - Managers / Supervisors	281	170
(Field Level Risk Assessments) Take 5	17620	20739
Workplace Hazards	159	183
Notifiable (High Potential) Incidents	20	23
Fitness for Work Tests (not including Blood Alcohol)	595	426
Fatalities	0	0
Recordable Injuries &/or occupational ill-health	2	5
Medical Evacuations	1	3
Absenteeism (days per employee)	1.7	3.3
*Total Recordable Injury Frequency Rate - TRIFR	2	5
Lost Time - LTIFR	2.04	4.8
Restricted Work - RWIFR	0	0
Medical Treatment - MTIFR	3.2	3.1
Permits & Licences	452	531
Vehicle Registrations	17	7
Goods & Services in contry	181,394	164,209

* Frequency Rates per million-man hours; 12 MMMA

No regulatory penalties were issued for safety or health during the reporting period.

5. Human Rights & Conflict

5.1 Policy

During the reporting period, our Human Rights Policy was adopted by the Board of Directors and signed by the Executive Chair.

The Policy formalises our recognition of the 'Universal Declaration of Human Rights' (UDHR) and the International Labour Organisation – 'Declaration on Fundamental Principles and Rights at Work'.

Company executives spoke on the Policy and the prevention of Modern Slavery, at our Annual Strategy Workshop and brought these matters to the attention of workgroups. These matters are also referenced in our General Induction.

5.2 Prevention of Modern Slavery

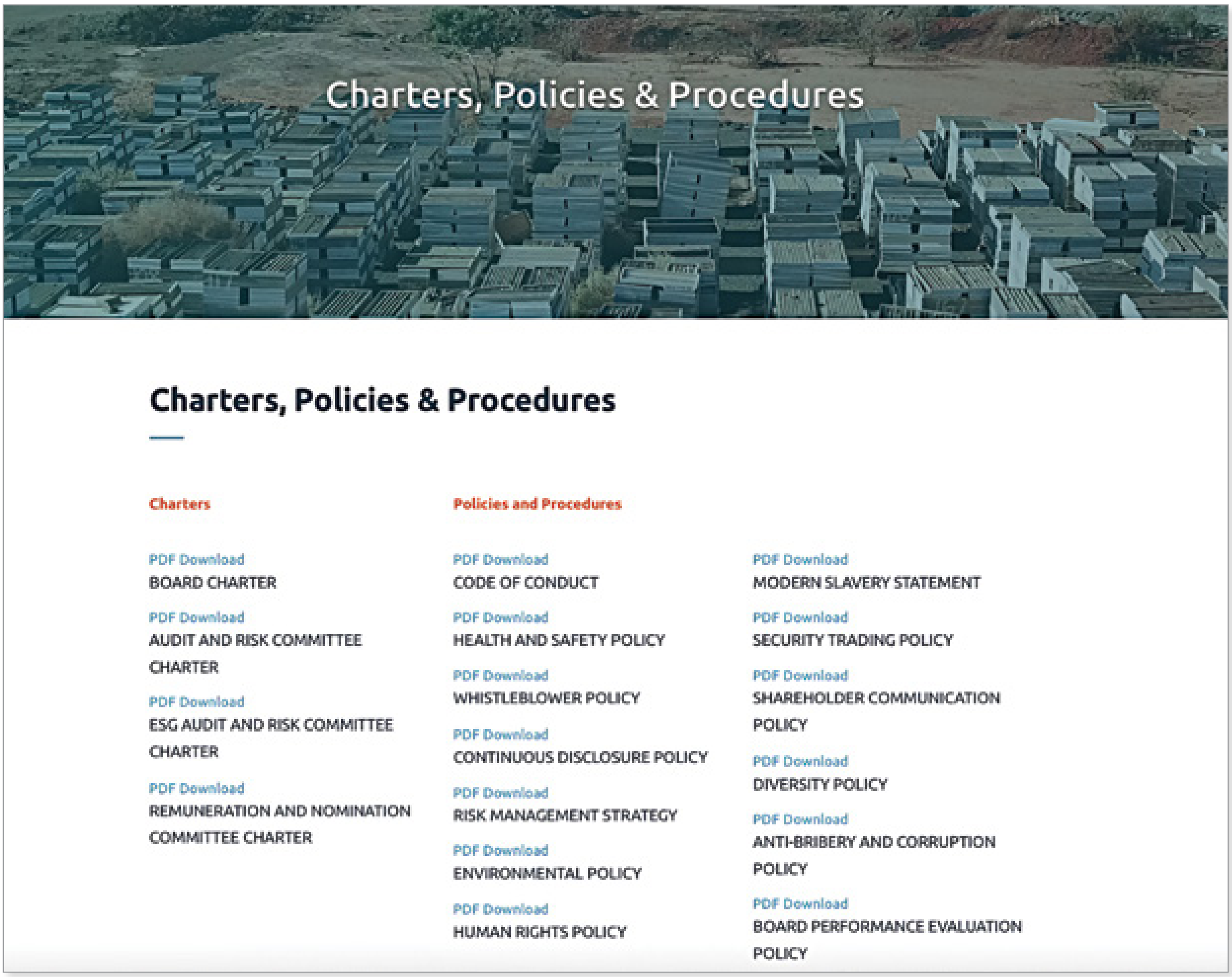
We have established processes and worked in accordance with the Commonwealth Modern Slavery Act (2018). Our Modern Slavery Statement for the reporting period 2020-2021 is on the register (www.modernslaveryregister.gov.au).

Our initial focus was on our major suppliers and service providers through questionnaires.

During the reporting period we did not discover any allegations, or incidents of Modern Slavery regarding our operation or in our supply chain.

Suppliers are chosen from a range of criteria, for provision of services or materials. Their risks are assessed for safety environment, capability and commerciality. Modern Slavery risks have been added to these criteria. We refer to the 'Global Slavery Index' which ranks the risk profiles of countries from which their goods or services may be supplied.

Figure 31: Whistleblower Policy at www.wilunamining.com.au /about / policies

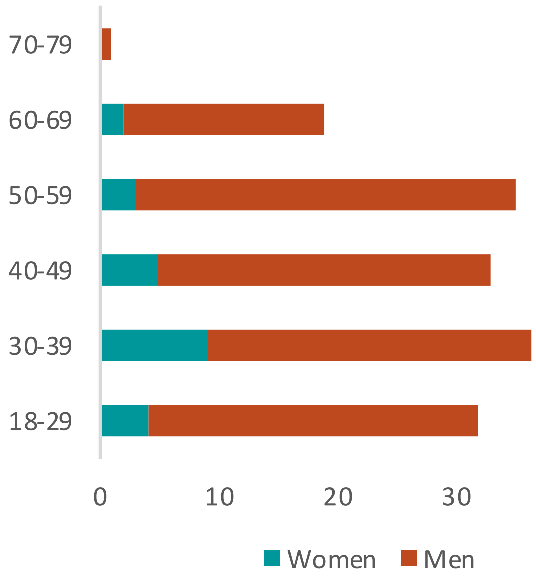


6. Labour Rights

6.1 Numbers and rate of employment

WMC reports as required, to the Workplace Gender Equality Agency, of the Australian Government, on composition of the workforce. Numbers of women and men in the age groups of employees at WMC are show in the following chart.

Figure 32: Gender of Employee Age Groups



6.2 Pay Equity

Our recruitment and remuneration are based on merit, qualifications and experience, without discrimination over gender.

We will consider more work on the gender balance in our workforce, potentially through flexible working arrangements and rosters.

6.3 Remuneration

Our Remuneration Policy and framework were endorsed by shareholders at the Annual General Meeting. Industry benchmarks are used to set remuneration for employees who are engaged under 'individual contracts'. The WMC - Human Rights Policy affirms the right of employees and contractors to associate and bargain collectively. All employees are paid above the basic (living) wage.

6.4 Preventing discrimination and bullying

Our Code of Conduct and our Diversity Policy prescribe acceptable behaviours and engagement with employees.

Employees are reminded through Induction and other workplace communications, they may raise grievances to management, in confidence or according to the Whistleblower Policy.

Figure 33: Participatory Planning Tour.

> Trish Botha, our Community Liaison Officer provides orientation to young local people keen to work with us.

7. Working with Communities

7.1 Social Responsibility Policy

During the reporting period, our Social Responsibility Policy was adopted by the Board of Directors and signed by the Executive Chair.

This policy sets out the commitments to underpin the Social License of Wiluna Mining to explore and develop, operate, or close mines.

This policy is contextualised by our Social Responsibility Plan of which notable aspects include:

- Leadership, Governance & Collaboration
- Stakeholder Engagement
- Social Impact & Risk Assessment
- Cultural Heritage & Important Sites
- Employment, Procurement & Business Support
- Grievance Management.

We will train our employees with accountabilities for enacting the plan and raise awareness of the plan through our General Induction.

Indigenous Land Use Agreements are in place, importantly with Tarlka Matuwa Piarku Aboriginal Corporation (TMPAC). It is the Registered Native Title Body Corporate to hold the native title rights and interests of the Wiluna Native Title Holders.

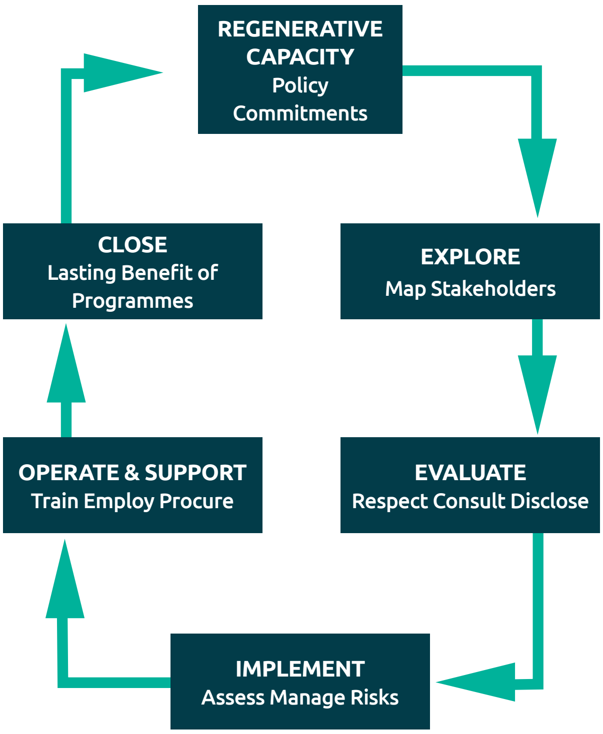


Figure 41: Social Responsibility Plan

7. Working with Communities
(continued)

We will continue to liaise with TMPAC on consent and making agreements for future exploration and mining activity. Opportunities for collaborative-environmental monitoring, financial support for community development and recruitment should complement this process.

The Relationship Committee between TMPAC and WMC representatives is a forum to respect community sentiment, resolve grievances and to make decisions. We briefed the committee on our environmental performance and updates on changes to mining and mineral processing at site.

Areas bounding cultural heritage sites as identified from prior consultation and surveys are flagged within our Geographical information System (GIS). Our protocol to permit ground disturbance requires work to be at safe respecful distance from these areas. Where items or evidence of unknown cultural heritage are encountered, Chance Finds should not be disturbed, until an assessment by competent professionals is made and actions taken.

Gold-ore bodies at site have been mined by several generations in the modern era. Mining will continue to focus underground and no existing communities are envisaged to be disrupted, nor need to relocate.

Our Community Liaison Officer Trish Botha, engages with local Martu people. This programme extends over respect for Traditional Owners, supporting the interests of women in participatory planning and building-capacity, for meaningful jobs, training and procurement.

Murlpirrmarra hosts Wiluna team

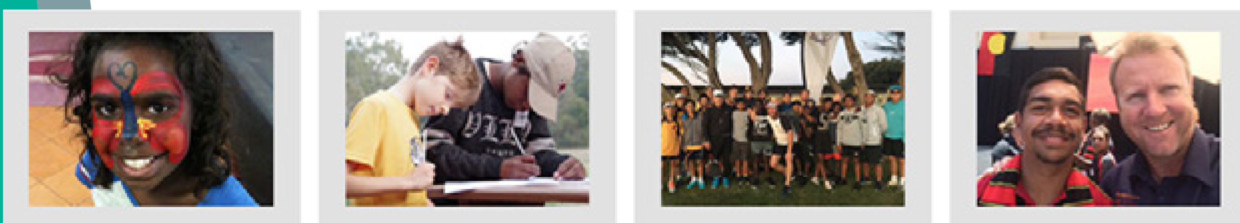


Figure 34: Murlpirrmarra Programmes.

7. Working with Communities
(continued)

As we build relationships in the local community we are listening actively to their interest in the operation and to provide feedback ensure we act on their requests, suggestions, concerns or complaints.

A challenge for us is in the employment of local-Aboriginal people. The Wiluna Training Centre is a Public Private Partnership supported by some regional mining companies and we provided funding of $18k.

We will continue our support for its vocational training effort to develop a group of local people who have skills to work at our operation. In turn we will need to fairly allow for their cultural commitments and orientation to the workplace.

WMC is proud to continue as a major sponsor of Murlpirrmarra Connection. As a not-for-profit organisation, Murlpirrmarra Connection provides support to Aboriginal youth in the remote communities of Wiluna, Leonora and surrounding regions in Western Australia.

Outcomes on support for the communities and education are found at www.murlpirrmarra.com.au. During the reporting period we hosted parents and young players from Perth in Wiluna for the cultural experience (sport carnival)organised by Murlpirrmarra Connection. The Wiluna students team was hosted in Perth for a reciprocal match and to attend the 'Indigenous Round' of national football.

WMC supported a range of community interests as shown in the table to the right.

WMC, Contractors and site employees raised $4,000 at a 'quiz night' for the school in Wiluna. A pizza oven was also donated to the school.

Both WMC and Byrnecut supported the training of trade apprentices at site. We will provide an update for the next reporting period on efforts to:

- Include Martu people in our support of small business enterprises and to diversify the local economy;
- Offer casual employment to university undergraduates for work experience; and
- Rebuild capacity of the Wiluna Training Centre and development of trainees to whom we can provide employment or work experience.

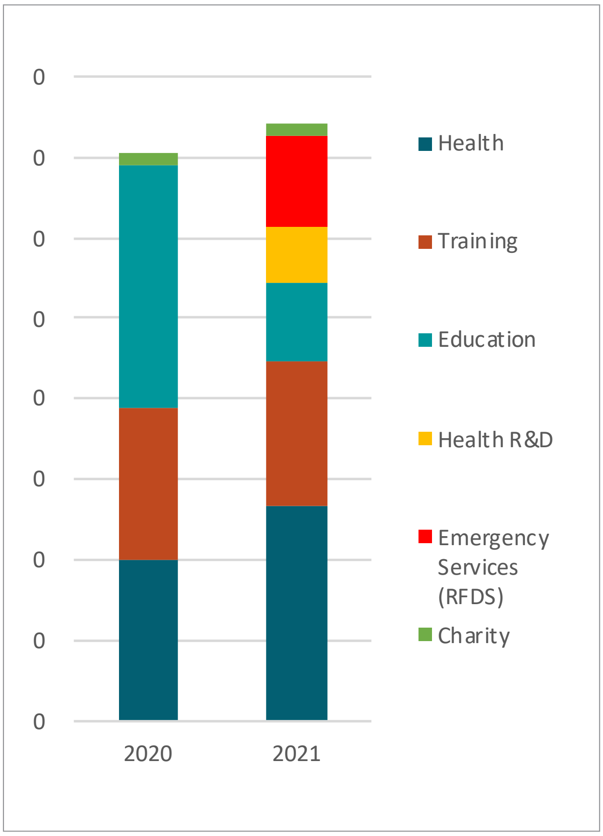


Figure 35: Support of Community Interests.

Figure 36: Support for the School at Wiluna.

Corporate Overview | Review of Operations | Sustainability | Financial Report | Notes to the Consolidated Financial Statements | Additional Information

8. Environmental Stewardship

8.1 Monitor and manage impacts

Our Environmental Policy is found on the company website and intranet. We are committed to protection of the environment. The Operation maintains an Environmental Management Plan (EMP) to monitor, avoid, minimise or mitigate impacts on the environment. It takes into consideration the intent of ISO 14001:2015 Environmental Management Systems - Requirements with guidance for use. A risk-based approach is used to prioritise environmental aspects for attention. Certification is not a consideration.

The WA - Environmental Protection Authority provides 'Stewardship' on five Principles related to:

1. The Precautionary Principle
2. Intergenerational Equity
3. Biodiversity and Ecological Integrity
4. Incentive Mechanisms
5. Waste Minimisation.

Environmental risk assessment for our project designs and plans have been reinforced with regard to the Precautionary Principle to avoid serious or irreversible harm from our Operation. Where we have more definitive evaluations of risk and protection measures in our work, we will obtain both internal and regulatory approval. Stakeholder engagement is also envisaged.

The conservation of biological diversity and ecological integrity is built into our internal permitting for ground disturbance. It is also needed for regulatory perming of new areas, as we are obliged to protect critical habitats and show application of the mitigation hierarchy. Our Mine Closure Plan will strive to establish modified habitats on landforms for wildlife corridors and continuity of some endemic flora.

8.2 Management of Non-Mining Wastes

The EPA Principle regarding Waste Minimisation expects all reasonable and practicable measures be taken to minimise the generation of waste and discharge into the environment. To this end we have increased our efforts in the control of wastes and improved housekeeping in work areas.

Employees and contractors have joined in a major clean-up. Many recoverable wastes were found scattered across site.

A sustained effort is now in play having implemented a waste management plan which covers:

- Guidance, training and awareness
- Holding departments accountable
- Regular inspections and audit
- Signage and demarcation of transfer stations for waste segregation and recovery, prevention of spillage and diverting waste from landfill
- Revising contracts for transport and receival of waste for recycling or recovery.

Management has championed the waste management plan to success.

Waste-transfer stations encourage the re-use and re-purposing of materials, e.g. clean pallets and intermediate bulk containers. Pride in the workplace is now realised as the backlog of wastes has been cleaned up. Employees can now see obvious and disorderly placement of wastes that need attention.

Notable Inventories of wastes recovered include:

- Waste oil or grease drummed and wrapped
- Scrap high density polyethylene pipe (65.3t)
- Deregistered aluminium fire extinguishers

Employees also made a difference, collecting 'containers for change' (on drink containers at the site mess) to donate $2,300 to the RFDS.

In our next report we will provide an update on consolidating wastes at site for transport.

Single-use plastics remain a challenge for us. Disposable containers for meals remain in use. In this reporting period about 3,500 single-use containers per week were dispensed for meals. Single-use containers for beverages and plastic cutlery were also used. We will provide an update on single use plastics in our next report.

8. Environmental Stewardship
(continued)

Figure 37: Clean-up and Recovery Campaign.

8. Environmental Stewardship (continued)

8.3 Tailings and Mining-Waste Management

Large scale facilities at the Operation are mapped in our Geographical Information System and include:

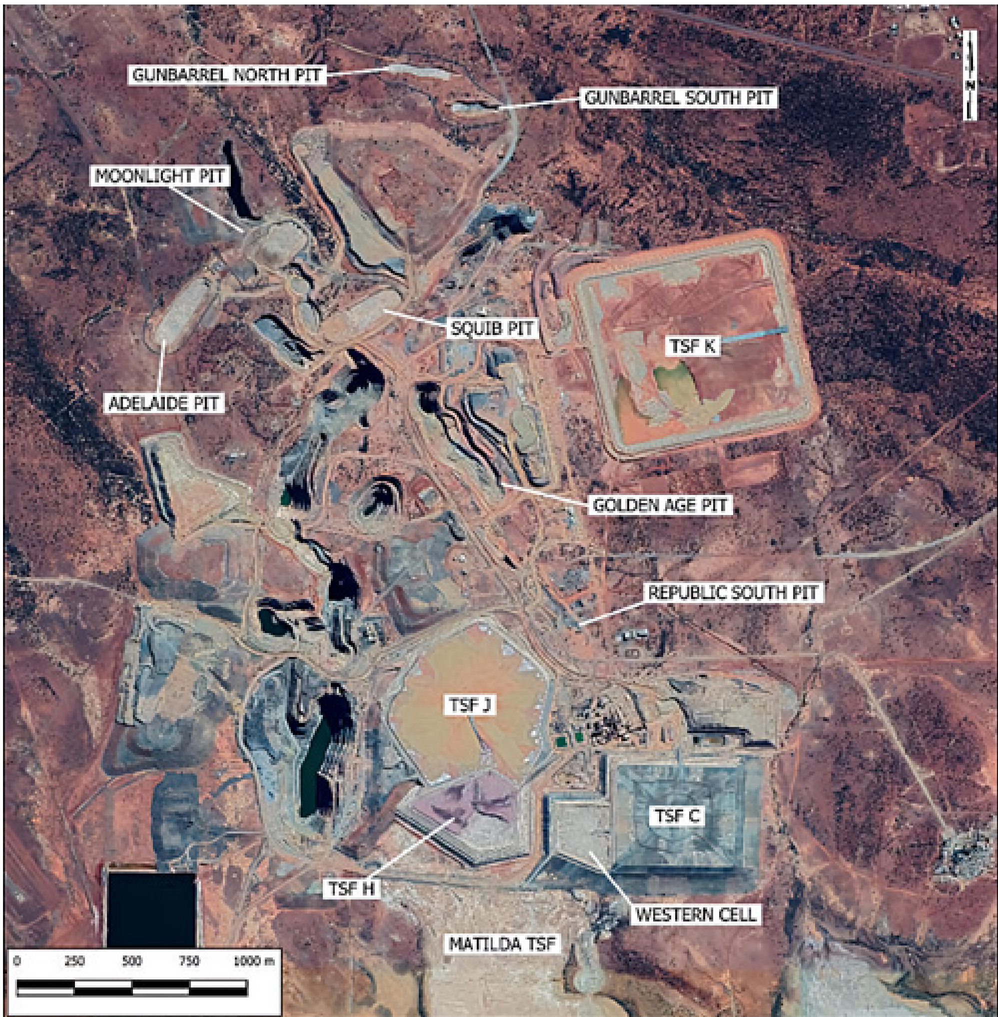
- Prominent landforms for open pit mining, placement of waste rock and storage of tailings. Some portals for underground mining are 'in pit' and less prominent.
- Infrastructure for fuel and reagent storage, power generation, mineral processing, mine services and accommodations.
- Tailings Storage Facilities (TSF) and waste rock landforms (WRL) that span the history of mining at Wiluna.

Some TSFs have been fully reclaimed for recovery of incremental gold value. These tailings were redeposited in newer facilities. Other storages are covered by extensive waste-rock landforms.

Tailings have been discharged to (inactive) open pits. Above-ground TSFs are larger and include the operational TSF K (Figure 46). All supernatant waters from operational TSFs are contained and returned to the mineral processing circuit.

We are compiling the reports and records of older TSFs. Our focus is on the above-ground TSFs. For the next reporting period we will present our reviews and efforts to better understand risks posed by these facilities to people or the environment.

Figure 38: Tailings Storage Facilities.



8. Environmental Stewardship
(continued)

Figure 39: Awareness and Preparedness at a Local Level.

> Our supplier of reagent cyanide is competent, contingent and supportive in protection of people and the environment.

The base and inner walls of TSF K have been reworked with lower-permeability materials to minimise seepage in the design approved by environmental and mining regulators. The signature of seepage water disperses naturally in the hypersaline groundwater of the underlying regolith. Supernatant water from TSF K is incorporated as 'make-up' water in mineral processing. Monitor bores around the Operation are sampled to check for potential impacts from the TSFs.

In our future reports we will provide updates on efforts to minimise the amount of waste rock brought to surface – to manage costs, GHG emissions and potential impacts of storage above ground. We will consider use of tailings for paste fill underground with the added benefit of optimising TSF storage capacity above ground.

8.4 Cyanide and Hazardous Materials

Reagent sodium cyanide is both manufactured and transported to site under ICMC certification. An internal standard is being prepared for the management of sodium cyanide at the Operation. It will align to the Principles of the International Code for the Management of Cyanide (ICMC). Management may authorise operational conditions and facilities at variance to the ICMC based on risk to people and the environment.

8.5 Noise and Dust

With a nominal buffer zone of about 1 km from the Operation to Communities of Interest, there is a low risk of impact or nuisance to them from dust, noise or vibration related to underground blasting. During the reporting period, underground blasting occurred for exploration/development headings, however, no complaints were received from Communities of Interest.

> Water monitoring near Lake Way is ongoing to check for impacts and to show compliance.

Figure 40: Surface Water Monitoring.

9. Biodiversity, Land Use and Mine Closure

9.1 Land use and ecological sensitivity

The current Mining Proposal for DMIRS, indicates critical habitats are not at risk, from the Operation. Priority species recorded in the region are not in areas of proposed disturbance. It has not been necessary to create environmental offsets for potential impacts on critical habitats.

Note for completeness, our exploration and mining activities are far and remote from World Heritage Sites in Western Australia, or the Northern Territory.

Future exploration and environmental studies are planned for groundwater supplies. Stygofauna may be recorded in aquifers and control of ecological risks will be undertaken as arising.

There is a closed loop between the Mineral-Processing Plant and TSFK for the re-use of water decanted from the TSF. An excess of saline water, from underground or open-pit mining voids, may be discharged to the salt-lake environment of Lake Way.

Lake sediments nearer the discharge zone show some elements are at variance to the levels in the broader environment. There are natural influences on water quality, as the lake waters dry out between rainfall/inundation events.

Aquatic invertebrates and diatoms are monitored and no clear relationship to discharge-water quality is evident. Fringing vegetation communities near the lake are also monitored and no operational impacts are discernible. Pronounced changes due to sporadic rainfall are evident. Threatened or Priority flora were not impacted by the discharge.

Previous ecological baseline studies have recorded migratory and nomadic-bird species after rainfall-inundation at Lake Way.

9.2 Mine Closure

The operation sits within a large array of exploration, mining and pending leases, in total 1591 km^2. Inside this array, 1003 ha are subject to operational activity, or were disturbed by past activity. Mine closure activities, such as the reshaping of landforms and revegetation are underway on a further 389 Ha.

The footprint areas of notable landforms, or 'domains' to be addressed for mine closure include:

- 180 ha – Waste Rock Landforms
- 277 ha – Tailings Storage Facilities

9. Biodiversity, Land Use and Mine Closure (continued)

- 155 ha – Open Pits
- 189 ha - Trafficable areas
- 74 ha – Infrastructure
- 78 ha – Exploration.

The operation maintains a Mine Closure Plan (MCP) as required by comprehensive guidelines of DMIRS. Importantly this plan covers within its structure:

- Stakeholder consultation
- Land use and closure outcomes
- Risks to effective closure
- Implementation scenarios and activities
- Financial provision for closure.

Given the remoteness of the operation and the small population of Wiluna, stability of landforms; protection of stakeholders; and the environment will be key considerations in planning for closure.

As the mining plan develops it will enable stakeholders to consider definitive-post closure outcomes from which they may benefit.

The Operation is supported by GIS experts to map in detail, the areas where rehabilitation has begun. These areas have been tallied and agreed with DMIRS from which it sets the fee payable to the Mining Rehabilitation Fund (MRF).

Wiluna Mining also estimates the cost of an internal liability which aligns to the scheduling of rehabilitation activities before and after the end of mining and mineral processing.

All types of land disturbance are classified into 'domains', e.g. waste-rock landforms; or TSFs.

Land-reclamation experts support the Operation in determining chemical and physical properties of soils and mining-waste materials to determine:

- Suitability or hostility to plant growth
- Resistance to erosion
- Prevention of acid and metalliferous drainage (AMD)
- Slopes and drainage structures landforms.

Figure 41: Soil Erosion Tests.

> Erosion and rehabilitation experts tested mixtures of rock and soil to find the best combination for capping and revegetating landforms.

10. Water, Energy and Climate Change

10.1 Water

The Operation is permitted to:

- Draw approximately 1.5 GL/yr of groundwater targeting low chloride content from the Eastern Borefield for use in mineral processing.
- Draw approximately 0.15 GL/yr of low-salinity water from the Caledonian open pit for specific demands in mineral processing, for accommodations and personnel. Water was not drawn from this source during the reporting period.
- Discharge approximately 2.1 GL of hypersaline water from dewatering open pits and underground mines in operational areas. The water is a blend of groundwater inflow and incident rainfall to the open pits. The water is discharged to Lake Way.
- Treat accommodations wastewaters in Facultative lagoons and allow infiltration to ground. A Bio-Reactor is being considered as an alternative for treatment of wastewater. Water quality of this discharge would then be suitable for its reuse in mineral processing.

Table 14: Water Draw and Discharge.

Water Movement (GL)	2019 - 2020	2020 - 2021
Eastern Borefield Abstraction (Fresh)	0.99	0.91
Dewatering Discharge to Lake Way	1.12	0.91

During the reporting period a hydrological assessment of the Operational footprint was completed. It showed areas at risk of flooding from extreme rainfall and the works or control measures to implement for protection of people and assets.

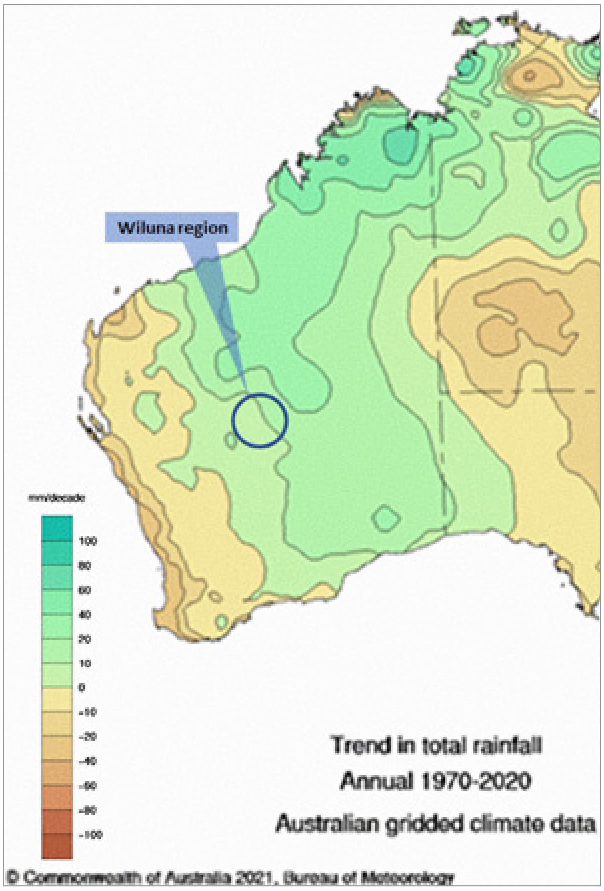
Water management structures were designed to divert rainfall runoff around and away from operational areas. These works have been implemented and help to reduce the sediment load in runoff leaving operational areas.

Groundwater at the Wiluna Operation occurs in the oxidised regolith of crystalline and metamorphic rocks. In the area, a more substantive aquifer is hosted by palaeo-river channel sediments, shallow overlapping alluvial fans and calcrete drainages.

At a regional scale, groundwater is predominantly saline to hypersaline. Fresh to marginal-salinity groundwater occurs in some alluvial fans and calcrete and is likely due to more pronounced recharge from rainfall and runoff.

A Hydrogeological review for the Operation indicated sporadic and high rainfall events likely enhanced recharge to local aquifers. However, lower-overall recharge occurred from 2019 to the end of the reporting period. Even though rainfall is sporadic, Bureau of Meteorology records indicate a very low but slight increase in rainfall in past decades. However, this is not a forecast of rainfall variability.

Figure 42: Decadic Rainfall Trend for WA.



10. Water, Energy and Climate Change (continued)

Use of some thickened and cemented tailings for underground 'paste fill' is being investigated to partially offset future water demand and tailings discharged to above-ground TSFs.

In consideration of future water demand for the Operation, groundwater exploration is scheduled to occur in the next reporting period.

10. 2 Climate and Greenhouse Gas (GHG) Emissions

Wiluna Mining complies with the National Greenhouse and Energy Reporting Scheme (NGERS) to the Commonwealth Government. Scope 1 and Scope 2 greenhouse and energy figures for recent years are provided in Table 16.

Table 15: GHG Emissions and Energy Use.

Reporting Period	2018 - 2019	2019 - 2020
GHG Emissions (t CO2-e)		
Scope 1	51,713	54,562
Scope 2	51	32
Emission Intensity (tCO_2 e per Au oz)	0.79	0.88
Total Scope 1 & 2	51,764	54,594
Energy (GJ)		
Consumed	986,646	1,035,559
Net Consumed	853,957	888,881
Produced	132,689	146,678

Scope 1 – Greenhouse gas (GHG) emissions at the Operation, relate in the main, to combustion of diesel and gas fuels, for generation of electrical power, use of mining equipment, other vehicles and fugitive emissions.

Scope 2 GHG emissions principally relate to the consumption of purchased electricity at the Perth office. Scope 3 GHG emissions are beyond the tracking and accounting systems for the company at present. In many cases these emissions are reported by the relevant parties in our value chain.

NGERS estimates were in preparation at the time of printing this ESG report, but in 2020/21:

- manning levels at site increased.
- The Mineral Processing Plant continued to operate at a lower rate of throughput.
- Civil works to prepare site occurred, and construction began for the Mineral Processing Plant to extract gold concentrate from ore.
- Mining development underground and dewatering of open pits occurred.
- Exploration drilling was less active, open pit mining stopped, but the carting of ore to the Plant was ongoing.

The changes in emission intensity of GHG reported here, reflects both the overall emissions of GHG and the variability of gold production. Both factors were influenced by the transition from open pit mining, to processing of only stockpiled ore and then to underground development.

Oxides of nitrogen or sulphur and particulates are emitted from fuel combustion in mobile equipment and power generation. These are tallied for the National Pollutant Inventory. These emissions are likely to disperse sufficiently without impact on residents in the town of Wiluna or nearby residents.

The electrical-power station at site is not connected to a regional-electricity grid. Electrical power is provided and operated by Contract Power Group (CPG), a service provider to Wiluna Mining. The electrical generators are powered by natural gas or diesel.

In an arrangement with CPG, the power station will be reconfigured by 2023:

- Some of the diesel powered generation will be displaced by natural-gas powered units.
- Nominally 2 MW of Battery Energy Storage (BES) will be installed to reduce diesel-powered 'spinning reserve' (Figure 51).
- Reducing the intensity of GHG emissions per unit of electrical power generation.

10. Water, Energy and Climate Change (continued)

Figure 51: Typical layout of a BES unit for site.

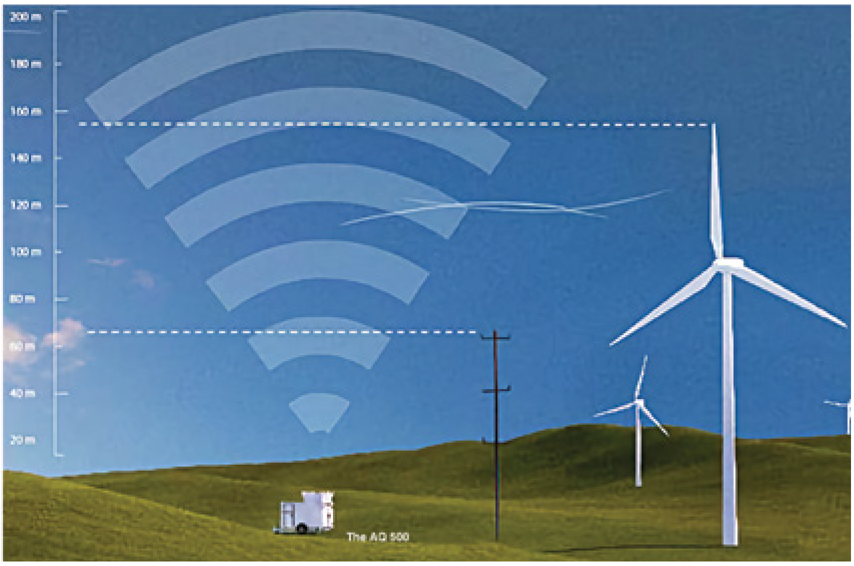


Figure 43: SODAR helps optimize design height for wind turbines.

Wiluna Mining is evaluating renewable-energy sources for the Operation. This will be input to feasibility studies for growth of the Operation. These studies and financial hurdles must be considered to forecast the partial decarbonisation of energy supply to the Operation.

Wind turbines are used to generate electrical power by other mining operations in the region. To estimate the potential application of wind turbines at Wiluna, we have begun to evaluate the annualised variability of wind speed and directions aloft. A SODAR as indicated by the setup shown in (Figure 52) is in place. SODAR, or in full-sonic detection and ranging, is a meteorological instrument which determines wind speed and direction by interpreting the reflection of sound in layers up to several hundred metres aloft.

Wiluna Mining is watching the trials and application of electrical power in mining equipment and particularly for underground operations. A reduction in exhaust-emissions underground, may reduce the energy demand for ventilation. The Operation is supporting trials by manufacturers of electrically-powered drills for use underground. The Operation might otherwise take a precautionary view which ranges from being an 'early adopter' or be part of the 'early majority.'

Financial Report

30 June 2021

Directors' Report

Your directors submit the financial report of Wiluna Mining Corporation Limited ('Wiluna' or the 'Company') and its controlled entities (the 'Group') for the year ended 30 June 2021.

DIRECTORS

The names of Directors who held office during or since the end of the financial year are as follows:

Milan Jerkovic

B.App.Sc (Geol), GDip (Mining), GDip (Mineral Economics), FAusImm MAICD
Executive Chair

Mr Jerkovic is a geologist with over 35 years' experience in the mining industry including resource evaluation, operations, financing, acquisition, project development and general management. Mr Jerkovic is also principal of the Xavier Group. He was previously the CEO of Straits Resources Limited, has held positions with WMC, BHP, Nord Pacific, Hargraves, Tritton and Straits Asia and was the founding chair of Straits Asia Resources.

Appointed:
27 November 2015

Committee memberships:
Nil

Other listed board memberships:
Nil

Previous listed board memberships:
Geopacific Resources Limited, Metals X Limited

Interest in shares at the date of this report:
1,566,701

Interest in options at the date of this report:
208,664

Greg Fitzgerald

BBus, CA
Non-executive Director (Lead Independent Director)

Mr Fitzgerald is a Chartered Accountant with more than 30 years' of gold mining and resources related experience. He has extensive executive experience in managing finance and administrative matters for listed companies including holding the positions of Chief Financial Officer and Company Secretary for an ASX 200 gold mining company for more than 15 years.

Appointed:
19 February 2018

Committee memberships:
Audit & Risk (Chair), Remuneration & Nomination (Chair)

Other listed board memberships:
Nil

Previous listed board memberships:
Nil for the last three years

Interest in shares at the date of this report:
None

Interest in options at the date of this report:
None

Directors' Report (continued)

DIRECTORS (continued)

Anthony James
BEng, AWASM, FAusImm
Non-executive Director

Mr James is a mining engineer with considerable operational, new project development and corporate experience including roles as Managing Director of Carbine Resources Ltd, Atherton Resources Ltd and Mutiny Gold Ltd. At Atherton Resources, Mr James achieved a favourable outcome for shareholders following the takeover by Auctus Minerals. At Mutiny Gold, Mr James led the implementation of a revised development strategy for the Deflector copper-gold deposit in Western Australia that resulted in the successful merger of Mutiny Gold and Doray Minerals Ltd.

Prior to this, Mr James held a number of senior executive positions with international gold producer Alacer Gold Corporation following the merger of Anatolia Minerals and Avoca Resources in 2011. As the Chief Operations Officer of Avoca Resources, he played a key role in Avoca's initial growth and success, leading the feasibility, development and operations of the Trident Underground Mine and the Higginsville Gold Operations.

Appointed:
22 June 2018

Resigned:
31 July 2021

Committee memberships:
Audit & Risk, Remuneration & Nomination

Other listed board memberships:
Carbine Resources Limited
Apollo Consolidated Limited
Galena Mining
Limited, Medallion Metals Limited

Previous listed board memberships:
Nil for the last three years

Interest in shares at the date of this report:
None

Interest in options at the date of this report:
None

Colin Jones
BSc
Non-executive Director

Mr Jones is a highly experienced Mining Executive with almost 40 years' experience as a mining, exploration and consulting geologist. He has experience in several different geological environments and has worked in a number of countries on producing mines, as part of feasibility teams and as an explorationist. He has acted as Independent Engineer on behalf of major international resource financing institutions and banks and as Technical Adviser to private equity resource funds in Australia and Canada.

Appointed:
21 July 2021

Committee memberships:
Remuneration & Nomination

Other listed board memberships:
Newrange Gold, Eurotin Inc

Previous listed board memberships:
Geodrill Limited

Interest in shares at the date of this report:
None

Interest in options at the date of this report:
None

Directors' Report (continued)

DIRECTORS (continued)

Sara Kelly
LLB, BComm
Non-executive Director

Ms Kelly has significant transactional and industry experience having worked in private practice, as a corporate advisor, and as in-house counsel. Ms Kelly regularly acts for ASX listed companies and their directors and officers in relation to capital raisings, recapitalisations of ASX shells, asset acquisitions and disposals, Corporations Act and Listing Rules compliance, corporate reconstructions and insolvency, director's duties, meeting procedure, as well as general corporate and commercial advice.

Ms Kelly is a Partner at Edwards Mac Scovell, a boutique litigation, insolvency and corporate firm based in Perth, Western Australia.

Appointed:
22 May 2020

Committee memberships:
Audit & Risk, Remuneration & Nomination

Other listed board memberships:
Midas Minerals Limited

Previous listed board memberships:
Ragnar Metals Limited, Homestay Care Limited

Interest in shares at the date of this report:
None

Interest in options at the date of this report:
None

Neil Meadows
B.App.Sc (Metallurgy), M.App.Sc (Metallurgy), GDip (Bus Admin), MAusIMM, Dip AICD
Operations Director

Mr Meadows is a metallurgist with over 30 years experience in the mining and processing industries. Prior to joining Wiluna Mining, he worked as Chief Operating Officer for European Metals Holdings Limited. Mr Meadows' previous roles include COO of Karara Mining Ltd, Managing Director of IMX Resources Ltd, COO of Queensland Nickel Pty Ltd, and General Manager of Murrin Murrin Operations for Minara Resources Ltd.

Appointed:
1 December 2019 (previously the Company's General Manager of Major Projects and Business Improvement, until appointment to the Board)

Committee memberships:
Nil

Other listed board memberships:
Nil

Previous listed board memberships:
Nil for the last three years

Interest in shares at the date of this report:
None

Interest in options at the date of this report:
159,231

Directors' Report (continued)

DIRECTORS (continued)

Hansjoerg Plaggemars
Diplom Kaufmann
Non-Executive Director

Mr Plaggemars is an experienced Company Director highly skilled in corporate finance, corporate strategy, European and North American Capital markets, and governance. He has qualifications in Business Administration and has served on several Boards both on the ASX and in Europe. Mr Plaggemars is a USA citizen and is based in Germany.

Appointed:
21 July 2021

Committee memberships:
Audit & Risk

Other listed board memberships:
2invest AG
Ming Le Sports AG
Decheng Technology AG i.I.
Gascoyne Resources (WA) Pty Ltd
PNX Metals Limited
4basebio UK Societas
Altech Chemicals Limited
Azure Minerals Limited
South Harz Potash Limited
KIN Mining NL
Altech Advanced Materials AG

Previous listed board memberships:
CARUS AG
Enapter AG
KlickOwn AG
MARNA Beteiligungen AG
4basebio AG
Biofrontera AG
The Grounds Real Estate Development AG

Interest in shares at the date of this report:
None

Interest in options at the date of this report:
None

Directors' Report (continued)

DIRECTORS (continued)

Lisa Mitchell

B.Econ, FCPA
Non-executive Director

Ms Mitchell is an experienced Company Director and Mining and Oil and Gas Executive. Ms Mitchell was born and raised in Melbourne and has resided in the United Kingdom for the past 10 years. Ms Mitchell is a FCPA (Aust) and has significant experience as a CFO, Company Secretary and Executive Director of several Australian and London listed companies (across ASX, LSE and AIM bourses). Ms Mitchell's strengths include financial management, leadership, debt and equity raising capabilities, LSE compliance and M&A. She has significant experience with the LSE (having worked for former FTSE 250 Ophir Energy plc) and will bring valuable experience to Wiluna Mining's upcoming LSE listing.

Appointed:
1 October 2021

Committee memberships:
Audit & Risk

Other listed board memberships:
San Leon Energy Plc
Pharos Energy Plc

Previous listed board memberships:
Lekoil Ltd

Interest in shares at the date of this report:
58,750 (Spouse)

Interest in options at the date of this report:
None

Daniel Travers

BSc (Hons), FCCA
Company Secretary - appointed 3 May 2019

Mr Travers is a Fellow of the Association of Chartered Certified Accountants with over 10 years' experience in the administration and accounting of publicly listed companies following significant public practice experience. Mr Travers holds undergraduate degrees with honours in both Mathematics and Accounting and is an employee of Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities in the mining and exploration industry.

Wiluna Mining | **Annual Report 2021**

Directors' Report (continued)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:

- production of gold from the Wiluna Gold Operation; and
- gold exploration and development.

REVIEW AND RESULTS OF OPERATIONS

Gold production during the year was 51,552oz at an AISC of A$1,794/oz. In FY21 the Company generated positive cash flows from operations of $34m, and over the same period significant net investment of $99m was made by the Company, including into site-based capital infrastructure (primarily the new Stage 1 concentrator), as well as underground development and preproduction mining activities at the Wiluna Mining Centre. These major investing activities will sustain and create substantial value as the Company pursues its Sulphide Development, having delivered 66% completion on the construction of the concentrator, and 6,274m of underground development and rehabilitation through the Company's underground sulphide and free milling (Golden Age) deposits as at 30 June 2021.

Financial Results

The profit after tax for the financial year was $20,404,000 (2020: $14,250,000). The Group's net assets at the end of the year were $220,152,000 (2020: $138,537,000). The FY20 result included Other Income of $24m, most of which was due to the sale of non-core assets during the year, namely the Lake Way Transaction with Salt Lake Potash Ltd.

Gold sold during the year was 50,522oz @ A$2,627/oz. There were 162,500oz of forward gold sales contracts in place at 30 June 2021, at an average price of $2,421/oz, maturing by 31 May 2025.

Growth

The Company continued to advance its Sulphide Development during the year, having made significant progress on the Stage 1 processing plant construction (66% complete as at 30 June 2021), underground development and rehabilitation (6,274m completed during FY21), and relevant study programs, for a net investment figure of $99m over FY21. The Company will continue to invest in the Wiluna operation to develop it to a stage where it is at the optimum size to exploit its geological scale and complexity, returning significant cashflows.

The Company's Sulphide Development involves a staged upscaling of operations to production of ~250kozpa over three years, with Stage 1 (currently underway and fully funded, with concentrator commissioning expected during Q2 FY2022) targeting mining of ~750ktpa of underground ore for the production of ~120kozpa of gold doré and gold in concentrate. A Feasibility Study into Stage 2 is currently underway (expected to be completed to a bankable level by Q3 FY22), with the conclusions of this work expected to drive the final shape and size of Stage 2 development activities, and as reported in the FY20 Annual Report, offtake agreements for 100% of the gold concentrate for the first three years of production have been secured with Trafigura and London-listed Polymetal Group.

Discovery

During FY21 the drill bit continued to deliver at Wiluna, supporting the Company's Sulphide Development. The Company completed 112,428 metres of drilling in FY21 across the Wiluna Mining Operation, delivering numerous high-grade intercepts within both sulphide and free milling zones, including 'bonanza-grade' results in the Happy Jack and East Lode zones, both of which are initial mining areas in the Company's Sulphide Development.

The Company also delivered Mineral Resource and Ore Reserve updates during FY21, which led to an increase of 142% in underground Ore Reserves. Ore Reserves now sit at 37.60Mt at 1.09g/t for 1.32Moz, including the underground Ore Reserve of 4.33Mt at 4.74g/t for 661koz, and total Mineral Resources (utilising 0.4g/t cut-off) now sit at 153.50Mt at 1.63g/t for 8.04Moz, including a high-grade Resource (utilising 2.5g/t cut-off) at the Wiluna Mining Centre of 26.93Mt at 4.89g/t for 4.24Moz.

Additionally, the Company has reported significant results from its two-dimensional seismic survey program, which was undertaken to target further high-grade gold discoveries at the Wiluna Mining Centre. Preliminary interpretation of the surveys data confirmed prospective large-scale structures at the Wiluna Mining Centre, demonstrated that gold structures extend well beyond the current defined Mineral Resources limits, and highlighted multiple parallel 'Wiluna look-alike' structures.

Following the success of the Company's FY21 drill program, multiple drill rigs are drilling to further infill and grow the large-scale, high-grade gold system at Wiluna, with the intention to update the Company's Mineral Resource and Ore Reserve estimates as part of the Company's in-progress Stage 2 Feasibility Study, expected to be completed by Q3 FY22. Additionally, given the success of the two-dimensional seismic survey program, the Company plans to undertake a full-scale three-dimensional seismic survey over the entire Wiluna Mining Centre, with the goal of identifying drilling targets to test the Company's 5Moz to 7Moz Exploration Target.

Directors' Report (continued)

Production

Gold production for the year was primarily sourced from ore mined at the Williamson pit (~67% of production), complemented by ore from the Golden Age underground deposit (~15% of production), and ore from the Wiluna and Matilda pits. Planned open pit mining at Golden Age North Extension has been deferred, to make way for the Company's Sulphide Development, and open pit mining ceased at Wiluna in February 2021. During FY21, Tier-1 mining contractor Byrnecut (with whom the Company has entered into an Alliance Agreement) mobilised at the Wiluna operation and is currently undertaking all underground mining and development activities on site.

The Company's performance throughout FY21 was mixed, with H1 and H2 gold production of 26,758oz and 24,795oz at AISC of A$1,839/oz and A$1,747/oz respectively. While overall gold production of 51,552oz was lower than initial guidance of ~62koz, primarily due to lower than expected tonnes processed (1.35Mt vs anticipated 1.54Mt, in part due to temporary processing plant issues) and head grade (1.41g/t vs anticipated 1.52g/t), the Company outperformed on a cost basis, with AISC of A$1,794/oz, compared to initial guidance of A$1,950/oz, and amassed significant free milling stockpiles which will drive production in the lead up to concentrator commissioning in FY22. It is also worth noting that metallurgical recoveries at the operation over the year exceeded expectations.

TABLE 1 – FY21 GOLD PRODUCTION STATISTICS

	Units	30 June 2021	30 June 2020
Mining			
Open pit strip ratio	Waste/Ore	1.5	10.3
Total ore mined (UG and open pit)	t	1,669,063	1,429,306
Total mined grade	g/t	1.3	1.5
Total mined contained ounces	oz	70,820	71,148
Processing			
Tonnes processed	t	1,345,945	1,688,291
Grade processed	g/t	1.4	1.4
Plant recovery	%	85	79
Gold produced	**oz**	**51,552**	**61,885**
All-in sustaining cost	**A$/oz**	**1,794**	**1,950**

Corporate

As at 30 June 2021, the Company had $58.7 million in cash and bullion (cash of $54.1 million, bank guarantees of $0.7 million and bullion of $3.9 million) (2020: $11.4 million).

Net debt at 30 June 2021 was $1.4 million (2020: net cash $11.1m). Debt as at 30 June 2021 related to secured loans of $57.5 million and finance leases of $2.6 million (2020: debt $0.3m).

The Company is also pursuing a listing on the London Stock Exchange main board, with significant progress made to date, and completion targeted for Q2 of FY22.

New corporate branding and trading name

On 16 July 2021, the Company announced the change to the ASX code/Ticker from 'WMX' to 'WMC'.

Equity Placements

In December 2020, the Company announced a $24.5m Capital raising via a $22.5m placement and a $2m Share Purchase Plan at a price of $1.43 per share, which was closed on 15 January 2021.

Additionally, the Company completed a Placement of $7.5m, and a fully underwritten Entitlement Issue of $31.6m at a price of $1.00 per share. The $39.1m equity issue was closed in May 2021.

Debt financing

On 14 August 2020, Wiluna Mining announced that all documentation concerning a gold prepaid swap financing facility and gold hedging facility provided by Mercuria had been completed. The $21m prepaid swap proceeds ('Tranche 1') were repaid in full by 29 July 2021 by way of delivering 699oz of gold per month over the 12 month term (699oz were payable as at 30 June 2021). As part of Tranche 1, Mercuria also provided the Company with a secured gold hedging facility for 34,000oz at an average price of A$2,674/oz maturing over the term of the loan. That hedging facility was delivered in full by 29 July 2021 (3,500oz were

Directors' Report (continued)

outstanding as at 30 June 2021). The Term Loan and hedging program were secured under a general security arrangement.

On 16 June 2021, the Company announced that the final conditions and documentation for a US$42 million Term Loan agreement ('Tranche 2') with Mercuria had been completed, and the loan was drawn down on 18 June 2021. The Term Loan has a 48-month tenor, with a grace period of 6 months (during which the Company will only pay interest) followed by equal monthly repayments thereafter. The interest rate is LIBOR + 9.5%. Tranche 2 was complimented by a gold hedging facility for 159,000oz priced at US$1,820/oz. The Term Loan and hedging program are secured under a general security arrangement.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There are no likely developments of which the directors are aware which could significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Operating and Financial Review or the Events Subsequent to Reporting Date sections of the Directors' Report.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend for the 30 June 2021 financial year and no amount has been paid or declared by way of a dividend to the date of this report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

On 21 July 2021, Mr Colin Jones and Mr Hansjoerg Plaggemars were appointed as non-executive directors and on 31 July 2021, Mr Anthony James retired as non-executive director.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

MEETINGS OF DIRECTORS

The number of directors' meetings held (including meetings of the Committees of the Board) and number of meetings attended by each of the directors of the Company during the financial year are:

	Director's meeting		Audit and Risk Committee		Remuneration and Nomination Committee	
Director	Eligible	Attended	Eligible	Attended	Eligible	Attended
Greg Fitzgerald	11	11	3	3	3	3
Anthony James[(i)]	11	10	3	3	3	3
Milan Jerkovic	11	11	-	-	-	-
Sara Kelly	11	11	3	3	3	3
Neil Meadows	11	10	-	-	-	-

(i) Mr James resigned on 31 July 2021.

ENVIRONMENTAL ISSUES

The Group is subject to significant environmental regulations under various legislation. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. The Wiluna Operation is mining multiple deposits and is planning to mine various other locations. The timing and preparation for mining each of these deposits is dependent on the reconciled performance of each and the ongoing mine evaluation and planning process. Each time a new deposit is mined, separate regulatory approvals are required and the timing of this process is continually changing in a fluid mine planning process. As a direct result of this, at any one time, the formal approval process may still be outstanding at the time mining commences, which is usual in practice.

Directors' Report (continued)

OPTIONS

Options on issue at the date of this report:

Grant date	Expiry date	Quoted/Unquoted	Exercise price	Number
11 May 2018	31 December 2021	Unquoted	$0.00	7,661
6 December 2018	13 February 2024	Unquoted	$8.00	720,000
5 July 2019	30 June 2023	Unquoted	$0.00	513,267
26 August 2019	30 June 2023	Unquoted	$0.00	137,748
10 July 2020	30 June 2024	Unquoted	$0.00	542,284
19 November 2020	30 June 2024	Unquoted	$0.00	183,438
2 August 2021	30 June 2025	Unquoted	$0.00	1,507,530
Total				**3,611,928**

SHARES ISSUED ON THE EXERCISE OF OPTIONS

49,502 shares of the Company were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted.

INDEMNIFYING OFFICERS AND AUDITORS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer, or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. No indemnification has been paid with respect to the Group's auditor.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to the Director's Report.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF THE AUDITOR

There are no officers of the company who are former partners of RSM Australia Partners.

ROUNDING

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Remuneration Report (Audited)

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, including any director (whether executive or otherwise) of the parent company.

REMUNERATION FRAMEWORK

At the Board's absolute discretion, the Board, the Executive and Key Management Personnel are eligible to participate in the incentive arrangements of the Company. The incentive plan focuses the efforts of the executive and management team on business performance, business sustainability, business growth and long-term value creation. It provides for clear 'line of sight' objectives to maximise the effectiveness of the participants' total incentive awards and facilitates the meaningful accumulation of Company securities by participants to encourage an ownership mentality which in addition to having a retentive benefit, also further aligns management interests with those of the Shareholders. The Remuneration Policy, including the incentive plan, has been tailored to increase goal congruence between Shareholders and executives. Two methods have been applied to achieve this aim, being the Operations and Growth Incentive Plan (short term) and the Value Creation Plan (long-term) which is administered under the Company's Employee Option Plan ('EOP').

REMUNERATION FRAMEWORK OVERVIEW

Category	Definition of pay category	Element	Purpose
Fixed pay	Pay which is linked to the present value or market rate of the role	Total Fixed Remuneration ('TFR')	Pay for meeting role requirements
Incentive pay	Pay for delivering the plan and growth agenda for the Group which must create value for shareholders. Incentive pay will be linked to achievement of 'line-of-sight' performance goals. It reflects *'pay for performance'*	Short Term Incentive ('STI')	Incentive for the achievement of annual objectives. Incentive for the achievement of sustained business value.
Reward pay	Pay for creating value for shareholders. Reward pay is linked to shareholder returns. It reflects *'pay for results'*	Long-term Incentive ('LTI')	Reward for performance over the long-term

The incentive opportunities under the Remuneration Policy contain a maximum amount of Total Incentive Opportunity ('TIO'), as shown below:

MAXIMUM TOTAL INCENTIVE OPPORTUNITY AS A PERCENTAGE OF TFR ON AN ANNUAL BASIS

Plan:	WMC Ops & Growth	WMC Value Creation	
Performance period:	1 year (STI)	3 year vest (LTI)	
Award:	Cash	ZEPO's	TIO
Executives	48% p.a.	20% p.a.	68% p.a.

The maximum amount of TIO will only be delivered to Directors, the Executive and/or Key Management Personnel if the highest performance levels for each of the performance hurdles are achieved. The actual value of incentives may be zero if the performance hurdles are not met.

The Total Annual Remuneration (i.e. TFR + STI + LTI) for the Key Management Personnel has been set at a level that is broadly in line with the average Total Annual Remuneration for a peer group of Australian based gold miners.

Performance Hurdles

Participation in the incentive opportunities of the Remuneration Policy is based on successful milestone achievements against the following performance hurdles:

Short Term Incentive ('STI') performance metrics (paid in the form of a cash bonus and to ensure goal alignment, are consistent amongst all the Executive):

Company performance (60%-80%)

- Safety measures (Total Reportable Injury Frequency Rate 'TRIFR')
- Company operating cash flow
- All in sustaining cost per ounce produced
- Production target gold ounces

Remuneration Report (Audited) (continued)

Performance Hurdles (continued)

Individual performance (20%-40%)
- Individual specific goals and supervisory discretion

Long-term Incentive ('LTI') performance metrics (paid in Zero Exercise Price Options ('ZEPOs') and to ensure goal alignment, are consistent amongst all the Executive):
- Performance versus ASX Gold Index (*)
- Reserves increased
- Resources maintained

(*) – the hurdle relating to the performance versus the ASX Gold Index will see 50% of this portion of the ZEPO's vest if WMC's share price outperforms the ASX Gold Index. 100% of this portion of the ZEPOs will vest if the WMC share price outperforms the ASX Gold Index by at least 50%. The payout will increase on a straight line basis between these two points.

ZEPO's issued from 1 July 2020 will only have the performance metric of Performance versus ASX Gold Index.

Vesting conditions for LTI performance hurdles will be tested once only at the end of every 3 year measurement period.

Executive Chair Remuneration

Mr Jerkovic's employment contract is for a 3-year fixed term, beginning 1 July 2020, ending on 30 June 2023.

Effective 1 April 2021, the Executive Chair's remuneration became as follows:

Total Fixed Remuneration

TFR increased from $420,000pa to $520,000pa. Notice period remains unchanged, that being, effective from 1 July 2020 12 months to be given by the Company in year 1 of the contract, 9 months to be given by the Company in year 2 of the contract and 6 months to be given by the Company in year 3 of the contract. Mr Jerkovic is required to give the Company 3 months' notice at any time during the 3 years of the contract.

Short Term Incentives

Up to 48% of fixed remuneration per annum for each year of the contract. Participation in the incentive opportunities of the Remuneration Policy is based on successful milestone achievements against the following Key Performance Indicators ('KPI'):

Company KPIs (60%)
- Safety measures (Total Reportable Injury Frequency Rate 'TRIFR')
- Company operating cash flow
- All in sustaining cost per ounce produced
- Production target gold ounces

Individual performance (40%)
- Individual specific goals and Board's discretion

Long-term Incentives ('LTI')

Of the LTIs expiring on 31 December 2021, 12,500 unquoted ZEPOs were forfeited due to vesting conditions not met and 12,500 unquoted ZEPOs vested, all of which were exercised into shares with a $nil exercise price on 27 July 2021. LTIs expiring on 30 June 2023 remain unchanged, being 25,226 unquoted ZEPOs with a $nil exercise price. Furthermore, at a general meeting of shareholders on 19 November 2020, shareholders approved the issue of 183,438 ZEPOs with a $nil exercise price to Mr Jerkovic which are subject to certain performance conditions and expire 30 June 2024.

To align with other Key Management Personnel and the increase in the Executive Chair's total fixed remuneration, it will be put to the Company's shareholders at the 2021 Annual general Meeting that the Executive Chair be issued ZEPO's with a value equal to 20% of the increase in Total Fixed Remuneration over the period from 1 April 2021 to the end of Mr Jerkovic's current contract on 30 June 2023 (being 50,535 ZEPO's).

Remuneration Report (Audited) (continued)

VOTING AND COMMENTS MADE AT THE COMPANY'S 2019 ANNUAL GENERAL MEETING ('AGM')

At the 2020 AGM 99.8% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

KEY MANAGEMENT PERSONNEL

The key management personnel of the Company consists of the following directors and executives:

Directors	Position
Greg Fitzgerald	Non-executive Director
Anthony James	Non-executive Director - resigned 31 July 2021
Milan Jerkovic	Executive Chair
Colin Jones	Non-executive Director - appointed 21 July 2021
Sara Kelly	Non-executive Director
Neil Meadows	Operations Director – appointed 1 December 2019 (Previously GM – Major Projects & Business Improvement)
Hansjoerg Plaggemars	Non-executive Director – appointed 21 July 2021
Key Management Personnel ('KMP')	**Position**
Cain Fogarty	GM – Geology and Business Development
Wayne Foote	GM – Major Projects – resigned 18 June 2021
Jim Malone	GM – Investor Relations & Communications
Anthony Rechichi	Chief Financial Officer

The details of the Key Management Personnel's remuneration have been set out in the following tables.

REMUNERATION STRUCTURE FOR KEY MANAGEMENT PERSONNEL

Remuneration is based on the following components approved by the Remuneration and Nomination Committee;

- base pay and non-monetary benefits
- short-term performance incentives
- long-term performance incentives
- other remuneration such as superannuation and long service leave

Table 1: Contract terms for Key Management Personnel:

Name	Title	Term of Agreement	Notice Period by Employee	Notice Period by Company	Termination benefit
Greg Fitzgerald	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Cain Fogarty	GM – Geology and Business Development	Open	3 months notice	3 months notice	n/a
Wayne Foote (i)	GM – Major Projects	Open	3 months notice	3 months notice	n/a
Anthony James(ii)	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Milan Jerkovic	Executive Chair	Commenced 01/07/20 Ends 30/06/23	3 months notice	12 months year 1 9 months year 2 6 months year 3	n/a
Colin Jones(iii)	Non-executive Director	Ends 30/06/23	Upon resignation as director	Upon termination as director	n/a
Sara Kelly	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Jim Malone	GM – Investor Relations & Communications	Open	3 months notice	3 months notice	n/a
Neil Meadows	Operations Director	Open	3 months notice	3 months notice	n/a
Hansjoerg Plaggemars(iii)	None-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Anthony Rechichi	Chief Financial Officer	Open	3 months notice	3 months notice	n/a

(i) Resigned on 18 June 2021.
(ii) Resigned on 31 July 2021.
(iii) Appointed 21 July 2021.

Remuneration Report (Audited) (continued)

KEY MANAGEMENT PERSONNEL REMUNERATION

Table 2: Remuneration for the year ended 30 June 2021

	Short term				Post employ-ment	Long-term			Performance related	
2021	**Salary & fees $**	**STI[i] $**	**Non-monetary benefits* $**	**Annual leave $**	**Super-annuation $**	**Long service leave $**	**LTI**	**Termination payments $**	**At risk – STI %**	**At risk - LTI %**
Directors										
Greg Fitzgerald	91,324	-	-	-	8,676	-	-	-	0%	0%
Anthony James *Resigned 31 July 2021*	77,626	-	-	-	7,374	-	-	-	0%	0%
Milan Jerkovic	412,198	105,654	4,188	29,373	21,694	-	55,546	-	16%	9%
Sara Kelly	77,626	-	-	-	7,374	-	-	-	0%	0%
Neil Meadows	388,306	113,481	4,188	29,234	21,694	1,634	69,000	-	18%	11%
Other KMP										
Cain Fogarty	254,429	78,500	4,188	20,194	21,694	14,519	39,680	-	18%	9%
Wayne Foote *Resigned 18 June 2021*	309,800	70,841	4,050	23,868	29,350	-	-	81,963	14%	0%
Jim Malone	209,584	65,365	4,188	10,860	20,852	315	17,015	-	20%	5%
Anthony Rechichi	308,667	100,217	4,188	24,874	21,694	7,692	6,049	-	21%	1%

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.

(i) The STI remuneration represents the estimated amounts to be paid in cash in or around October 2021 and relates to incentives offered for the 12 month period ended 30 June 2021. The STI amounts to be paid for FY21 are less than the maximum opportunity, due to under achievement in safety and production against target. The STI achieved is primarily attributable to the Company's operating cashflows, unit production costs and individual performances.

Remuneration Report (Audited) (continued)

KEY MANAGEMENT PERSONNEL REMUNERATION

Table 3: Remuneration for the year ended 30 June 2020

2020	Short term				Post employment	Long-term		Performance related	
	Salary & fees $	STI(i) $	Non-monetary benefits* $	Annual leave $	Superannuation $	Long service leave $	LTI	At risk – STI %	At risk - LTI %
Directors									
Greg Fitzgerald	87,900	-	-	-	8,350	-	-	0%	0%
Anthony James	77,626	-	-	-	7,374	-	-	0%	0%
Milan Jerkovic	378,997	87,501	4,200	-	21,003	-	83,509	15%	15%
Sara Kelly *Appointed 22 May 2020*	8,260	-	-	-	785	-	-	0%	0%
Neil Meadows	334,418	49,933	4,200	25,825	21,003	395	69,000	10%	14%
Other KMP									
Cain Fogarty	228,997	35,000	4,200	17,618	21,003	10,462	58,149	9%	16%
Wayne Foote *Appointed 30 March 2020*	82,203	12,095	1,059	6,324	5,250	-	-	11%	0%
Jim Malone *Appointed 1 March 2020*	53,272	7,000	1,392	-	5,061	-	4,098	10%	6%
Anthony Rechichi	298,997	44,800	4,200	23,004	21,003	2,666	108,909	9%	22%
Guy Simpson *Resigned 22 April 2020*	262,159	-	-	23,512	17,670	(1,258)	-	0%	0%

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.

(i) The STI remuneration represents the estimated amounts to be paid in cash in or around October 2020 and relates to incentives offered for the 12 month period ended 30 June 2020. The STI amounts paid for FY20 were less than the maximum opportunity, due to under achievement in production, costs and operating cashflows against target. The STI achieved is primarily attributable to the Company's safety record and individual performances.

Remuneration Report (Audited) (continued)

KEY MANAGEMENT PERSONNEL REMUNERATION (continued)

Table 4: Share holdings of key management personnel:

Name	Held at the start of the year	Issued on exercise of options	Participation in rights issue and share purchase plan(i)	Acquired on market	Disposed	Held at the end of the year
Directors						
Greg Fitzgerald	-	-	-	-	-	-
Anthony James	-	-	-	-	-	-
Milan Jerkovic	1,110,420	-	373,781	70,000	-	1,554,201
Sara Kelly	-	-	-	-	-	-
Neil Meadows	-	-	-	-	-	-
Other KMP						
Cain Fogarty	100,000	5,693	-	4,307	-	110,000
Wayne Foote	-	-	-	-	-	-
Jim Malone	63,000	2,455	56,352	88,193	-	210,000
Anthony Rechichi	-	-	-	-	-	-
Total	**1,273,420**	**8,148**	**430,133**	**162,500**	**-**	**1,874,201**

(i) Shares were purchased at the offer issue prices of $1.43 and $1.00 per share.

Remuneration Report (Audited) (continued)

KEY MANAGEMENT PERSONNEL REMUNERATION (continued)

Table 5: Option holdings of key management personnel:

Name	Held at the start of the year	Granted as remuneration Number	Grant date	Fair value at grant date	Vesting conditions	Vesting Date	Expiry	Exercise price	Decrease[(i)]	Held at the end of the year
Directors										
Greg Fitzgerald	-	-	-	-	-	-	-	-	-	-
Anthony James		-	-	-	-	-	-	-	-	-
Milan Jerkovic	12,500	-	11/05/2018	$5.17	Performance vs ASX Gold Index	31/12/2020	31/12/2021	$0.00	(12,500)	-
	12,500	-	11/05/2018	$7.68	Reserves & resources increased	31/12/2020	31/12/2021	$0.00	-	12,500
	209,015	-	15/04/2019	n/a	n/a	n/a	12/10/2020	$3.00	(209,015)	-
	12,613	-	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	-	12,613
	8,829	-	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	-	8,829
	3,784	-	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	-	3,784
	-	-	10/07/2020	$1.29	Performance vs ASX Gold Index	30/06/2023	30/06/2024	$0.00	-	183,438
Sara Kelly	-	183,438	-	-	-	-	-	-	-	-
Neil Meadows	79,615	-	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	-	79,615
	55,731	-	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	-	55,731
	23,885	-	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	-	23,885
Other KMP										
Cain Fogarty	5,693	-	11/05/2018	$5.17	Performance vs ASX Gold Index	31/12/2020	31/12/2021	$0.00	(5,693)	-
	5,693	-	11/05/2018	$7.68	Reserves & resources increased	31/12/2020	31/12/2021	$0.00	(5,693)	-
	28,954	-	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	-	28,954
	20,268	-	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	-	20,268
	8,686	-	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	-	8,686
	-	81,752	10/07/2020	$1.11	Performance vs ASX Gold Index	30/06/2023	30/06/2024	$0.00	-	81,752
Wayne Foote	-	111,700	10/07/2020	$1.11	Performance vs ASX Gold Index	30/06/2023	30/06/2024	$0.00	(111,700)	-
Jim Malone	2,454	-	11/05/2018	$5.17	Performance vs ASX Gold Index	31/12/2020	31/12/2021	$0.00	(2,454)	-
	2,454	-	11/05/2018	$7.68	Reserves & resources increased	31/12/2020	31/12/2021	$0.00	(2,454)	-
	2,477	-	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	-	2,477
	1,734	-	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	-	1,734
	743	-	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	-	743
	-	58,394	10/07/2020	$1.11	Performance vs ASX Gold Index	30/06/2023	30/06/2024	$0.00	-	58,394
Anthony Rechichi	16,302	-	11/05/2018	$5.17	Performance vs ASX Gold Index	31/12/2020	31/12/2021	$0.00	(16,302)	-
	16,302	-	11/05/2018	$7.68	Reserves & resources increased	31/12/2020	31/12/2021	$0.00	-	16,302
	16,449	-	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	-	16,449
	11,514	-	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	-	11,514
	4,935	-	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	-	4,935
	-	99,271	10/07/2020	$1.11	Performance vs ASX Gold Index	30/06/2023	30/06/2024	$0.00	-	99,271
Total	563,130	534,555	-	-	-	-	-	-	(365,811)	731,874

(i) 'Decrease' represents options vested, exercised, expired during the year and/or forfeited due to termination/resignation.

Remuneration Report (Audited) (continued)

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

The earnings of the Group for the five years to 30 June 2021 are summarised below:

		2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000
Sales revenue	($'000)	131,467	126,562	102,466	118,252	47,331
Profit/(loss) after income tax	($'000)	20,404	14,250	(73,161)	(20,027)	(6,844)
Share price at 30 June	$ per share	0.93	1.34[i]	0.011	0.07	0.28
Basic profit/(loss) per share	cents per share	17.72	24.43[i]	(4.29)	(2.95)	(2.28)

(i) Note, the company performed a 100:1 share consolidation on 25 May 2020

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to key management personnel during the years ended 30 June 2021.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

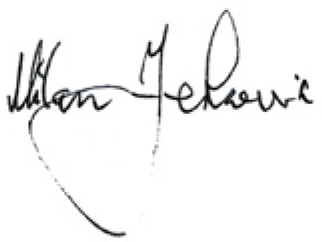
	Transactions with related parties $'000	Balances outstanding $'000
Xavier Group Pty Ltd[i]	729	336

(i) Entity related to Milan Jerkovic, Executive Chair. Mr Jerkovic is an officer and co-owner of Xavier Group Pty Ltd.

All transactions were made on normal commercial terms and conditions and at market rates.

[End of audited Remuneration Report.]

Signed in accordance with a resolution of the Board of Directors pursuant to section 298(2)(a) of the Corporations Act 2001.



Milan Jerkovic
Executive Chair

Perth, 30 August 2021

Auditor Independence Declaration

RSM

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Wiluna Mining Corporation Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

David Wall
Partner
RSM Australia Partners

Perth, WA
Dated: 30 August 2021

Corporate Overview | Review of Operations | Sustainability | Financial Report | Notes to the Consolidated Financial Statements | Additional Information

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated	
	Note	2021 $'000	2020 $'000
Continuing operations			
Revenue from gold and silver sales	1	131,467	126,562
Cost of production relating to gold sales	2	(80,267)	(96,528)
Gross profit before depreciation and amortisation		**51,200**	**30,034**
Depreciation and amortisation relating to gold sales	2	(30,577)	(28,541)
Gross profit from operations		**20,623**	**1,493**
Other income	4	3,162	24,051
Administration expenses		(5,094)	(5,559)
Non-capital exploration expenditure		(384)	(42)
Depreciation of non-mine site assets		(95)	(63)
Share-based payments	3	(145)	(456)
Finance costs	3	(3,395)	(9,278)
Treasury – realised loss	5	(117)	(13)
Treasury – unrealised gain	5	6,576	4,117
Other expenses	3	(727)	-
Profit before income tax expense for the year from continuing operations		**20,404**	**14,250**
Income tax expense	6	-	-
Profit after income tax expense for the year from continuing operations		**20,404**	**14,250**
Other comprehensive income		-	-
Total comprehensive profit for the year, net of tax		**20,404**	**14,250**

		Cents	Cents
Basic profit per share attributable to ordinary equity holders of Wiluna Mining Corporation Limited (cents per share)	7	17.72	24.43
Diluted profit per share attributable to ordinary equity holders of Wiluna Mining Corporation Limited (cents per share)	7	17.51	24.02

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

AS AT 30 JUNE 2021

		Consolidated	
	Note	2021 $'000	2020 $'000
Current assets			
Cash and cash equivalents	16	54,077	8,904
Gold bullion awaiting settlement	17	55	1,887
Trade and other receivables	24	3,503	7,075
Inventories	25	26,118	15,779
Financial assets	19	2,549	8
Total current assets		**86,302**	**33,653**
Non-current assets			
Other receivables	24	656	570
Right of use assets	20	4,442	9,792
Plant and equipment	11	85,691	63,583
Mine properties – areas in production	12	72,965	91,642
Mine properties – areas in development	13	61,927	4,677
Exploration and evaluation expenditure	14	34,242	12,974
Financial assets	19	3,416	-
Total non-current assets		**263,339**	**183,238**
Total assets		**349,641**	**216,891**
Current liabilities			
Trade and other payables	26	30,289	34,456
Provisions	27	2,050	1,443
Financial liabilities	19	-	363
Interest-bearing liabilities	18	9,895	168
Lease liability on right of use assets	20	2,294	6,196
Total current liabilities		**44,528**	**42,626**
Non-current liabilities			
Interest-bearing liabilities	18	48,352	125
Provisions	27	34,270	31,374
Lease liability on right of use assets	20	2,339	4,229
Total non-current liabilities		84,961	35,728
Total liabilities		**129,489**	**78,354**
Net assets		**220,152**	**138,537**
Equity			
Issued capital	22	297,760	236,865
Reserves	23	6,493	6,177
Accumulated losses		(84,101)	(104,505)
Total equity		**220,152**	**138,537**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated			
	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total $'000
At 1 July 2020	**236,865**	**6,177**	**(104,505)**	**138,537**
Profit after income tax for the year	-	-	20,404	20,404
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit for the year	-	-	20,404	20,404
Transactions with owners in their capacity as owners:				
Share-based payments expense	-	316	-	316
Shares issued, net of transactions costs	60,895	-	-	60,895
At 30 June 2021	**297,760**	**6,493**	**(84,101)**	**220,152**
At 1 July 2019	**175,285**	**5,647**	**(118,755)**	**62,177**
Profit after income tax for the year	-	-	14,250	14,250
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit for the year	-	-	14,250	14,250
Transactions with owners in their capacity as owners:				
Share-based payments expense	-	530	-	530
Shares issued, net of transactions costs	61,580	-	-	61,580
At 30 June 2020	**236,865**	**6,177**	**(104,505)**	**138,537**

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated	
		2021 $'000	**2020 $'000**
Cash flows from operating activities			
Proceeds from gold and silver sales		133,299	127,614
Payments to suppliers and employees		(99,849)	(110,562)
Interest received		36	9
Interest paid		(2,422)	(3,779)
Other		2,881	1,071
Net cash flows from operating activities	16	**33,945**	**14,353**
Cash flows from investing activities			
Purchase of plant and equipment		(27,998)	(23,638)
(Loss)/proceeds from sale of non-core assets, net of costs		(175)	10,335
Payments for geology		(26,133)	(8,962)
Payments for mine properties		(46,382)	(28,184)
Proceeds from pre-production gold sales		1,436	7,422
Net cash flows used in investing activities		**(99,252)**	**(43,027)**
Cash flows from financing activities			
Proceeds from issue of equities		64,218	59,136
Payment of share issue costs		(3,583)	(3,446)
Proceeds from loan, net of fees		75,100	1,625
Repayment of loans		(19,250)	(14,104)
Net proceeds/(repayment) from finance leases		2,047	(93)
Change in bank guarantees		(86)	-
Repayment of right of use lease liabilities		(7,966)	(6,233)
Net cash flows from financing activities		**110,480**	**36,885**
Net increase/(decrease) in cash held		45,173	8,211
Cash and cash equivalents at beginning of the year		8,904	693
Cash and cash equivalents at end of the year		**54,077**	**8,904**

The accompanying notes form part of these financial statements

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

Basis of preparation

These consolidated financial statements and notes represent those of Wiluna Mining Corporation Limited (the 'Company' or 'Wiluna') and its controlled entities (the 'Group').

The financial statements were authorised for issue on 30 August 2021 by the directors of the Company.

The financial report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'), International Financial Reporting Standards ('IFRS') and the *Corporations Act 2001*;
- are presented in Australian dollars, which is the Company's and Group's functional and presentation currency, with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with ASIC Instrument 2016/91;
- have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2019; and
- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the 30 June 2021 financial statements, the consolidated entity had net cash outflows from investing activities of $99.3m but continued to generate positive net cash inflows from operating activities of $33.9m for the year ended 30 June 2021. As at that date, the Group had net current assets of $41.8m, which includes the current lease liability of $2.3m (relating to Right of Use Assets).

Headroom in the net current asset position continues to improve on prior periods, and the Directors believe that the going concern basis of preparation of the financial report remains appropriate, taking into consideration the following supporting factors:

- The Company's mining operation has generated positive operating cash flows since the Company's capital restructure in early 2018, and the Company has forecasted to continue to achieve positive cash flows from its current operations which will generate sufficient cash inflows to meet the repayment of trade debts and other liabilities when they become due and payable;
- the Company recently drew down a US$42m term loan1 from Mercuria Energy Trading Pte Ltd to fund Stage 1 of its Sulphide Development Program. The Company expects to begin earning revenue from the Stage 1 development in the year ended 30 June 2022; and
- continued development expenditure for Stage 2 and beyond will be controlled dependent on having suitable funding in place. If additional funding for ongoing development is delayed, the Company would slow down its development profile and rely upon its underlying cash flows from operations to maintain a going concern.

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries of the Company at the end of the reporting period. A list of controlled entities (subsidiaries) at year end is contained in note 29.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

[1] Refer to the ASX release dated 16 June 2021.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Notes to the Consolidated Financial Statements (continued)

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined as non-significant are not included in the financial statements. There have been no changes to the Group's accounting policies that are no longer disclosed in the financial statements.

CORONAVIRUS (COVID-19) PANDEMIC

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

KEY ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The judgements, estimates and assumptions material to the financial report are found in the following notes:

Note 2: Cost of goods sold

Note 12: Mine properties – areas in production

Note 13: Mine properties – areas in development

Note 14: Exploration and evaluation expenditure

Note 20: Right of Use Assets

Note 25: Inventories

Note 27: Provisions

Note 28: Share-based payments

THE NOTES TO THE FINANCIAL STATEMENTS

The notes include information which is required to understand the financial statements and is material and relevant to the operations and the financial position and performance of the Group.

Information is considered relevant and material if, for example:

- The amount is significant due to its size and nature;
- The amount is important for understanding the results of the Group;
- It helps to explain the impact of significant changes in the Group's business; or
- It relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

- Performance for the year;
- Production and growth assets;
- Cash, debt and capital;
- Operating assets and liabilities; and
- Other disclosures.

A brief explanation is included under each section.

Notes to the Consolidated Financial Statements (continued)

Performance for the year

This section focuses on the results and performance of the Group. This covers both profitability and the return to shareholders via earnings per share combined with cash generation.

1. REVENUE FROM GOLD AND SILVER SALES

	Consolidated	
	2021 $'000	**2020 $'000**
Gold and silver sales		
- gold sales at spot price(i)	122,022	135,102
- gain/(loss) on gold forward contracts	9,263	(8,708)
Total gold sales	**131,285**	**126,394**
Silver sales	182	168
Total gold and silver sales	**131,467**	**126,562**

(i) Pre-production gold sales are capitalised and are not included in sales revenue

Accounting Policies

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

GOLD SALES

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods. Control is generally considered to have passed when:

- physical possession and risk of goods are transferred;
- determination of accuracy of the metal content of the goods delivered; and
- The refiner has no practical ability to reject the goods where it is within contractually specified terms.

Notes to the Consolidated Financial Statements (continued)

2. COST OF GOODS SOLD

	Consolidated	
	2021 $'000	2020 $'000
Cost of goods sold		
Costs of production	78,487	86,666
Royalties	7,539	8,179
Depreciation of mine plant and equipment	9,788	12,024
Amortisation of mine properties	20,789	16,517
Open pit waste removal movements	1,528	(599)
Underground costs capitalised	-	(155)
Stockpile movements	(5,193)	870
Gold in circuit movements	(2,094)	1,567
Total	**110,844**	**125,069**

Accounting Policies

COSTS OF PRODUCTION

Cash costs of production include direct costs incurred for mining, processing and mine site administration, net of costs capitalised to pre-strip and production stripping assets.

ROYALTIES

Royalty expenses under existing royalty regimes are payable on sales and are therefore recognised as the sale occurs.

DEPRECIATION

Depreciation of mine specific plant and equipment and buildings and infrastructure is charged to the statement of comprehensive income on a unit-of-production basis over the mine inventory of the mine concerned (consistent with the Life of Mine plan), except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is used. The unit of account is ounces of gold produced.

Depreciation of non-mine specific plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Plant and equipment 10% to 33%
- Motor vehicles 6% to 33%
- Office furniture and equipment 6% to 50%
- Buildings and infrastructure 4%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

AMORTISATION

Mine properties are amortised on a unit-of-production basis over the mine inventory of the mine concerned (consistent with the Life of Mine plan). The unit of account is ounces of gold produced.

KEY JUDGMENTS

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each asset's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable mine plan of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Notes to the Consolidated Financial Statements (continued)

3. EXPENSES

	Consolidated 2021 $'000	Consolidated 2020 $'000
Share-based payments expense		
Employees/service providers	21	303
Directors	124	153
Share-based payments expense recognised in the statement of comprehensive income	**145**	**456**

SHARE-BASED PAYMENTS

Equity-settled share-based compensation benefits are provided to employees and consultants. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and consultants in exchange for the rendering of services under an employee share plan.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period.

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Finance costs			
Interest		1,167	1,749
Borrowing costs		1,255	5,245
Unwinding on discount of rehabilitation provision	27	25	283
Interest on lease liability		948	2,001
Total		**3,395**	**9,278**

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Other expenses			
- loss on sale of non-core assets		(675)	-
- other		(52)	-
Total		**(727)**	**-**

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed as part of finance costs in the period incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

UNWINDING OF DISCOUNT ON PROVISIONS

The unwinding of discount on provisions represents the cost associated with the passage of time. Rehabilitation provisions are recognised at the discounted value of the present obligation to restore, dismantle and rehabilitate each mine site with the increase in the provision due to the passage of time being recognised as a finance cost in accordance with the policy described in note 27.

Notes to the Consolidated Financial Statements (continued)

4. OTHER INCOME

	Consolidated	
	2021 $'000	**2020 $'000**
Other income		
- other income	3,126	2,367
- interest revenue	36	29
- sale of non-core assets[i]	-	21,655
Total	**3,162**	**24,051**

(i) 2020: Relates to income generated from the sale of non-core assets and includes proceeds from the Lake Way Transaction completed during the 2020 financial year, as well as the sale of the Company's Calcine Tailings.

Accounting Policies

OTHER INCOME

Interest revenue is recognised as it accrues using the effective interest rate method. Other revenue is recognised when it is received or when the right to receive payment is established.

5. TREASURY GAINS AND (LOSSES)

		Consolidated	
	Note	**2021 $'000**	**2020 $'000**
Treasury – realised loss			
- foreign exchange loss		(53)	(13)
- hedge premium (paid)/income		(64)	-
Total		**(117)**	**(13)**
Treasury – unrealised gain			
Unrealised gain on forward contracts	8	6,565	3,535
Gain on financial assets		11	582
Total		**6,576**	**4,117**

Note: All gold forward contracts have been marked to market through profit or loss at 30 June 2021, as per note 8.

Notes to the Consolidated Financial Statements (continued)

6. INCOME TAX

	Consolidated	
	2021 $'000	2020 $'000
The components of the tax expense/(income) comprise:		
Current tax	-	-
Deferred tax	-	-
Total	**-**	**-**

(a) The prima facie tax on profit/(loss) before income tax is reconciled to the income tax as follows:

Net profit before income tax	20,404	14,250
Prima facie tax on profit from ordinary activities before income tax at 30% (2020: 30%)	6,121	4,275
Add the tax effect of:		
Permanent differences	305	1,757
Effect of current year temporary differences not recognised	-	-
Effect of tax losses utilised	(6,426)	(6,032)
Income tax expense	**-**	**-**

(b) Unrecognised deferred tax assets and (liabilities)

	Consolidated	
	2021 $'000	2020 $'000
Trade and other receivables	(62)	(87)
Financial assets and liabilities	(1,768)	145
Right of use assets	(1,332)	(2,938)
Plant and equipment	(2,807)	4,145
Geology and development expenditure	(10,266)	(3,886)
Mine properties	(30,982)	(18,604)
Trade and other payables	83	141
Interest-bearing liabilities	3,892	103
Lease liabilities	(1,737)	3,127
Provisions	10,896	9,845
Equity	25	900
Tax losses recognised to offset deferred tax liabilities	34,060	7,109
Balance at the end of the year	-	-

The directors have considered it prudent not to bring to account the deferred tax asset of income tax losses until it is probable of deriving assessable income of a nature and amount to enable such benefit to be realised.

(c) Tax losses

	Consolidated	
	2021 $'000	2020 $'000
The group has estimated carried forward tax losses which are available indefinitely for offset against future taxable income, subject to meeting the relevant statutory tests:		
Revenue losses		
Income tax losses	227,341	157,353
Losses used against deferred tax liabilities	(113,534)	(23,692)
Gross tax losses for which no deferred tax asset has been recognised	113,807	133,661
Tax effected at 30%	34,142	40,098
Capital losses		
Estimated capital losses for which no deferred tax asset is recognised	-	-

Notes to the Consolidated Financial Statements (continued)

6. INCOME TAX (continued)

Accounting Policies

INCOME TAX

The income tax expense/benefit for the year comprises current income tax expense/benefit and deferred tax expense/benefit.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense/benefit reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/benefit is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

7. EARNINGS PER SHARE

	Consolidated	
	2021 $'000	2020 $'000
Profit after income tax for the year	20,404	14,250

	No. of Shares ('000s)	No. of Shares ('000s)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS:	115,126	58,334
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS:	116,535	59,314

Accounting Policies

EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements (continued)

8. PHYSICAL GOLD DELIVERY COMMITMENTS

Open contracts	Gold contracts		Contracted gold sale price		Value of committed sales		Mark-to-market[(ii)]	
	2021[(i)] Ounces	2020 Ounces	2021 $/oz	2020 $/oz	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Within one year								
- Fixed forward contracts	23,500	4,720	2,459	2,504	57,782	11,817	2,530	(363)
Between one and two years								
- Fixed forward contracts	47,000	-	2,421	-	113,799	-	2,584	-
Between two and five years								
- Fixed forward contracts	92,000	-	2,421	-	222,756	-	832	-
	162,500	**4,720**			**394,337**	**11,817**	**5,946**	**(363)**

(i) 159,000 oz of the contracted ounces are denominated in USD and are priced at US$1,820/oz.

(ii) Mark-to-market represents the value of the open contracts at balance date, calculated with reference to the gold spot price at that date. A negative amount reflects a valuation in the counterparty's favour.

Accounting Policies

GOLD FORWARD CONTRACTS

As part of the risk management policy, the Group enters into gold forward contracts to manage the gold price of a proportion of anticipated gold sales. The counterparty of the gold forward contracts is Mercuria Energy Trading Pte Ltd.

9. OPERATING SEGMENT INFORMATION

The Group has one reportable segment which is gold production for the years ended 30 June 2021 and 30 June 2020. The Chief Operating Decision Maker ('CODM') is the Board of Directors and the Executives. There is currently one operating segment identified, being the operating of the of the Matilda-Wiluna Gold Operation based on internal reports reviewed by the Chief Operating Decision Maker in assessing performance and allocation of resources.

Major customers

During the year ended 30 June 2021, the Group's external revenue was predominantly derived from sales to Mercuria Energy Pte Ltd and Gold Corporation (The Perth Mint) through the Matilda-Wiluna Gold Operation operating segment.

Accounting Policies

DIVIDENDS

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

10. DIVIDENDS PAID OR PROVIDED FOR

There were no dividends paid or provided for during the year (2020: Nil).

Accounting Policies

DIVIDENDS

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Notes to the Consolidated Financial Statements (continued)

Production and growth assets

Included in this section is relevant information about recognition, measurement, depreciation, amortisation and impairment considerations of the core producing and growth (exploration and evaluation) assets of the Group.

11. PLANT AND EQUIPMENT

	Consolidated						
	Plant & Equipment $'000	Motor Vehicles $'000	Furniture & Equipment $'000	Buildings & Infrastructure $'000	Tails Dam $'000	Capital WIP $'000	Total $'00
Net carrying amount at 1 July 2020	25,920	606	617	6,906	9,185	20,349	63,583
Additions	2,877	2,358	480	333	(220)	22,179	28,007
Depreciation expense	(2,829)	(306)	(563)	(542)	(1,030)	-	(5,270)
Transfers between classes	865	110	502	998	17,245	(19,720)	-
Transfers to mine properties	-	-	-	-	-	(629)	(629)
Net carrying amount at 30 June 2021	**26,833**	**2,768**	**1,036**	**7,695**	**25,180**	**22,179**	**85,691**
At 30 June 2021							
Cost	47,100	3,776	2,623	12,521	30,927	22,179	119,126
Accumulated depreciation	(20,267)	(1,008)	(1,587)	(4,826)	(5,747)	-	(33,435)
Net carrying amount	**26,833**	**2,768**	**1,036**	**7,695**	**25,180**	**22,179**	**85,691**
Net carrying amount at 1 July 2019	25,186	476	714	7,557	9,884	1,349	45,166
Additions	3,234	267	87	18	-	20,278	23,884
Depreciation expense	(3,777)	(137)	(185)	(669)	(699)	-	(5,467)
Transfers between classes	1,277	-	1	-	-	(1,278)	-
Disposals	-	-	-	-	-	-	-
Net carrying amount at 30 June 2020	**25,920**	**606**	**617**	**6,906**	**9,185**	**20,349**	**63,583**
At 30 June 2020							
Cost	43,358	1,308	1,641	11,191	13,902	20,348	91,748
Accumulated depreciation	(17,438)	(702)	(1,024)	(4,285)	(4,716)	-	(28,165)
Net carrying amount	**25,920**	**606**	**617**	**6,906**	**9,186**	**20,348**	**63,583**

PLANT AND EQUIPMENT SECURED UNDER FINANCE LEASES

Refer to note 18 for further information on plant and equipment secured under finance leases.

Accounting Policies

PLANT AND EQUIPMENT

Plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Gains and losses on disposals of plant and equipment are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Notes to the Consolidated Financial Statements (continued)

12. MINE PROPERTIES – AREAS IN PRODUCTION

2021	Note	Consolidated Mine Properties $'000	Consolidated Stripping Activity Asset $'000	Consolidated Total $'000
Balance at 1 July		90,114	1,528	91,642
Transferred to mine properties – areas in development	13	(8,224)	-	(8,224)
Transferred from exploration and evaluation expenditure	14	4,481	-	4,481
Additions		4,570	-	4,570
Rehabilitation provision adjustment	27	2,813	-	2,813
Amortisation included in costs of production		-	(1,528)	(1,528)
Amortisation during production	2	(20,789)	-	(20,789)
Balance at 30 June 2021		**72,965**	**-**	**72,965**

2020	Note	Consolidated Mine Properties $'000	Consolidated Stripping Activity Asset $'000	Consolidated Total $'000
Balance at 1 July		68,852	928	69,780
Transferred from mine properties – areas in development	13	30,963	-	30,963
Additions		1,196	1,528	2,724
Rehabilitation provision adjustment	27	5,620	-	5,620
Amortisation included in costs of production		-	(928)	(928)
Amortisation during production	2	(16,517)	-	(16,517)
Balance at 30 June 2020		**90,114**	**1,528**	**91,642**

Accounting Policies

MINE PROPERTIES – AREAS IN PRODUCTION

Mine development expenditure incurred by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure.

A development property is reclassified as a mining property in this category at the end of the commissioning phase, when the property is capable of operating in the manner intended by management.

Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortisation charge proportional to the estimated mine inventory (consistent with the Life of Mine plan). Development properties are tested for impairment in accordance with the policy on impairment of assets.

Notes to the Consolidated Financial Statements (continued)

12. MINE PROPERTIES – AREAS IN PRODUCTION (continued)

Stripping activity asset

Once access to the ore is attained, all waste that is removed from that point forward is considered production stripping activity. The amount of production stripping costs deferred is based on the extent to which the current strip ratio of ore mined exceeds the life of mine strip ratio of the identified component. A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is identified based on the mine plan.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of the ore body. The production stripping asset is then carried at cost less accumulated amortisation and any impairment losses.

The production stripping asset is amortised over the expected useful life of the identified component (determined based on economically recoverable mine plan), on a unit-of-production basis. The unit of account is tonnes of ore mined.

KEY JUDGMENTS

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each asset's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable mine plan of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Determination of mineral resources, ore reserves and mine plan

The determination of mineral resources and ore reserves impacts the accounting for asset carrying values. The Group estimates its mineral resources and ore reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the 'JORC' Code). The information on mineral resources and ore reserves was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and the mine plan and may ultimately result in reserves and mine plan being restated.

Stripping asset

The Group capitalises stripping costs incurred during the development and production phase of mining. As a result, the Group distinguishes between the production stripping that relates to the extraction of inventory and that which relates to the stripping asset.

The Group has identified its production stripping for each surface mining operation it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Judgement is required to identify and define these components, and also to determine the expected volumes of waste to be stripped and ore to be mined in each of these identified components.

These assessments are undertaken for each individual identified component based on life of mine strip ratio. Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each identified component. Changes in the expected strip ratio is accounted for prospectively from the date of change.

Notes to the Consolidated Financial Statements (continued)

13. MINE PROPERTIES – AREAS IN DEVELOPMENT

	Note	Consolidated	
		2021 $'000	**2020 $'000**
Balance at 1 July		4,677	3,581
Pre-production expenditure capitalised, net of gold sales		45,781	30,963
Transferred from/(to) mine properties – areas in production	12	8,224	(30,963)
Development study costs		2,616	1,096
Transferred from plant and equipment	11	629	-
Balance at 30 June		**61,927**	**4,677**

Accounting Policies

MINE PROPERTIES – AREAS IN DEVELOPMENT

Mine properties under development represent the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the mine inventory to which they relate or are written off if the mine property is abandoned.

KEY JUDGMENTS

Production start date

The Group assesses the stage of each mine under construction to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine and the processing plant is substantially complete and ready for its intended use. At this time, any costs capitalised to 'mine properties – areas in development' are reclassified to 'mine properties – areas in production' and 'property, plant and equipment'. Some of the criteria will include, but are not limited, to the following:

- availability of the plant;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain ongoing production of metal at commercial rates of production.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs that qualify for capitalisation relating to mine asset additions or improvements, mine development or mineable reserve development. It is also at this point that depreciation/amortisation commences.

Notes to the Consolidated Financial Statements (continued)

14. EXPLORATION AND EVALUATION EXPENDITURE

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Reconciliation of movements during the year			
Balance at 1 July		12,974	5,209
Exploration expenditure incurred during the year		25,688	8,999
Transferred to mine properties – areas in production	12	(4,481)	-
Expensed during the year		-	(1,234)
Other		61	-
Balance at 30 June		**34,242**	**12,974**

Accounting Policies

EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the mine development expenditure and classified under non-current assets as development properties.

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

KEY JUDGMENTS

Exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Notes to the Consolidated Financial Statements (continued)

14. EXPLORATION AND EVALUATION EXPENDITURE (continued)

EXPLORATION EXPENDITURE COMMITMENTS

In order to maintain current rights of tenure to mining tenements, the Group has the following exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable as follows:

	Consolidated	
	2021 $'000	2020 $'000
Within one year	2,447	3,284

15. IMPAIRMENT OF ASSETS

The carrying values of non-current assets are reviewed for impairment when indicators of impairment exist or changes in circumstances indicate the carrying value may not be recoverable. When an indicator of impairment does exist, the below process is followed.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit ('CGU') to which the asset belongs and where the carrying values exceed the estimated recoverable amount, the assets or CGU are written down to their recoverable amount.

The recoverable amount of an asset is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The relevant CGU for Wiluna Mining Corporation Limited is the Matilda-Wiluna Gold Mine.

DETERMINATION OF MINERAL RESOURCES AND ORE RESERVES

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for decommissioning and restoration. The information in this report as it relates to ore reserves, mineral resources or mineralisation is reported in accordance with the AusIMM 'Australian Code for reporting of Identified Mineral Resources and Ore Reserves'. The information has been prepared by or under supervision of competent persons as identified by the Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation which may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs, ore grades and/or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

IMPAIRMENT OF MINE PROPERTIES, PLANT AND EQUIPMENT

The future recoverability of capitalised mine properties and plant and equipment is dependent on a number of key factors including; gold price, discount rates used in determining the estimated discounted cash flows of CGUs, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources, the estimated value of unmined inferred mineral properties included in the determination of fair value less cost to dispose ('fair value'), future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations).

Fair value is estimated based on discounted cash flows using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on CGU life of mine ('LOM') plans. Consideration is also given to analysts' valuations, and the market value of the Company's securities. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy. When LOM plans do not fully utilise existing mineral properties for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of mineral properties is included in the determination of fair value. The Group considers this valuation approach to be consistent with the approach taken by market participants.

The Group has estimated its unmined resource values based on a dollar value per gold equivalent ounce basis, taking into account a range of factors although principally the current market rate for similar resources.

In determining the fair value of CGUs, future cash flows were discounted using rates based on the Group's estimated weighted average cost of capital. When it is considered appropriate to do so, an additional premium is applied with regard to the

Notes to the Consolidated Financial Statements (continued)

15. IMPAIRMENT OF ASSETS (continued)

geographic location and nature of the CGU. Life of mine operating and capital cost assumptions are based on the Group's latest budget and LOM plans. Operating cost assumptions reflect the expectation that costs will, over the long-term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.

KEY ASSUMPTIONS FOR THIS REVIEW:

Gold price (A$ per ounce): A$2,233/oz – A$2,468/oz (with a mid-point of A$2,350/oz).

Commodity prices are estimated with reference to external market forecasts, and the rates applied to the valuation have regard to observable market data.

Discount Rate %: 6.88% - 14.88% (with a mid-point of 10.88%).

In determining the fair value of the CGU, the future cash flows were discounted using rates based on the Company's estimated weighted average cost of capital.

Value of Unmined Resources: A$68/oz – A$76/oz (with a mid-point of A$72/oz).

In assessing the value of unmined Resources, the Company has made reference to existing data points available in the market – particularly Enterprise Value per Resource ounce metrics for Australian Stock Exchange and Toronto Stock Exchange listed Gold Explorers and Developers.

It should be noted that these data points relate to a large number of publicly traded gold explorers and developers, and do not account for qualitative factors such as Resource classification, existing infrastructure, and development status, all of which are favourable towards the Company. As such, the Company considers these multiples to be conservative in nature, given its ideal geographical location with first-class logistical parameters, advanced development status, existing plant, mine development and infrastructure, and the large scale of its mineralisation.

Additionally, when conducting gold price sensitivities in the model, these multiples have also been adjusted by a proportional move in the gold price (i.e. if the gold price in the model is adjusted down by 5%, the unmined Resource multiple is also adjusted down by 5%) to 'normalise' the multiples for movements in commodity prices.

Operating and capital costs:

Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life-of-mine plans. Operating cost assumptions reflect the expectation that costs will, over the long-term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.

Sensitivity analysis:

Any variation in the key assumptions used to determine fair value would result in a change of the assessed fair value. It is estimated that changes in the key assumptions would have the following approximate impact on the fair value of the CGU that has been subject to impairment testing:

	Increase $'000	Decrease $'000
Change of:		
Gold price & value of unmined resources by 2.5%	31,377	(31,377)
Discount rate by 2.5%	16,880	(13,308)

Changes in the specific assumptions above are assumed to move in isolation, while all other assumptions are held constant.

Notes to the Consolidated Financial Statements (continued)

Cash, debt and capital

This section outlines how the Group manages its cash, capital, related financing costs and its exposure to various financial risks. It explains how these risks affect the Group's financial position and performance and what the Group does to manage these risks.

16. CASH AND CASH EQUIVALENTS

Accounting Policies

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits available on demand with banks and other short-term highly liquid investments with original maturities of three months or less.

	Consolidated	
	2021 $'000	2020 $'000
Cash and cash equivalents in the statement of financial position and statement of cash flows		
Cash at bank and on hand	54,077	8,904
Total	**54,077**	**8,904**

	Consolidated	
	2021 $'000	2020 $'000
Reconciliation of profit after income tax to the net cash flow from operating activities		
Profit after income tax	**20,404**	**14,250**
Adjustments for		
Depreciation and amortisation relating to gold sales	30,577	28,541
Depreciation of non-mine site assets	95	63
Equity based payments	316	530
Treasury – unrealised gain	(6,576)	(4,117)
Williamson pre-strip contribution from third party	-	(10,155)
Non-capital exploration expenditure	384	42
Unwinding of discount on rehabilitation provision	25	283
Finance costs	950	5,225
Sale of non-core assets, net of costs	175	(10,335)
Other	(2)	573
Changes in net assets and liabilities		
Receivables	1,413	(3,599)
Inventories	(10,339)	529
Payables	(3,477)	(7,477)
Net cash inflows from operating activities	**33,945**	**14,353**

Notes to the Consolidated Financial Statements (continued)

16. CASH AND CASH EQUIVALENTS (continued)

	Consolidated		
	Interest-bearing liabilities $'000	Lease liabilities $'000	Total $'000
Changes in liabilities arising from financing activities			
Balance at 1 July 2019	**12,140**	**16,657**	**28,797**
Net cash from/(used in) financing activities	(12,572)	(6,233)	(18,805)
Acquisition of plant and equipment by means of leases	725	1	726
At 30 June 2020	**293**	**10,425**	**10,718**
Net cash from/(used in) financing activities	57,898	(7,966)	49,932
Acquisition of plant and equipment by means of leases	56	2,174	2,230
At 30 June 2021	**58,247**	**4,633**	**62,880**

17. GOLD BULLION AWAITING SETTLEMENT

	Consolidated	
	2021 $'000	2020 $'000
Current		
Gold bullion awaiting settlement	55	1,887

Accounting Policies

GOLD BULLION AWAITING SETTLEMENT

Bullion awaiting settlement comprises gold that has been received by the refiner prior to period end but which has not yet been delivered into a sale contract. Gold bullion awaiting settlement is initially recognised at the expected selling price and adjustments for variations in the gold price are made at the time of final settlement, which is within a matter of days.

Due to the short-term nature of the bullion awaiting settlement, the carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the fair value.

Notes to the Consolidated Financial Statements (continued)

18. INTEREST-BEARING LIABILITIES

	Consolidated	
	2021 $'000	2020 $'000
Current interest-bearing liabilities		
Secured loan – Mercuria, net of fees	9,196	-
Finance lease liabilities	699	168
Total Current interest-bearing liabilities	**9,895**	**168**
Non-current interest-bearing liabilities		
Secured loan – Mercuria, net of fees	46,710	-
Finance lease liabilities	1,642	125
Total Non-current interest-bearing liabilities	**48,352**	**125**

Accounting Policies

BORROWINGS AND BORROWING COSTS

Loans and borrowings are initially recognised at the fair value of the consideration received.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

INTEREST-BEARING LIABILITIES

SECURED LOANS – MERCURIA

On 14 August 2020, Wiluna Mining announced that all documentation concerning a gold prepaid swap financing facility and gold hedging facility provided by Mercuria had been completed and executed. The $21m prepaid swap proceeds ('Tranche 1') were repaid in full by 29 July 2021 by way of delivering 699oz of gold per month over the 12 month term (699oz were payable as at 30 June 2021). As part of Tranche 1, Mercuria also provided the Company with a secured gold hedging facility for 34,000oz at an average price of A$2,674/oz maturing over the term of the loan. That hedging facility was delivered in full by 29 July 2021 (3,500oz were outstanding as at 30 June 2021). The Term Loan and hedging program were secured under a general security arrangement.

On 16 June 2021, the Company announced that the final conditions and documentation for a US$42 million Term Loan agreement 'Tranche 2') with Mercuria had been completed, and the loan was drawn down on 18 June 2021. The Term Loan has a 48-month tenor, with a grace period of 6 months (during which the Company will only pay interest) followed by equal monthly repayments thereafter. The interest rate is LIBOR + 9.5%. Tranche 2 was complimented by a gold hedging facility for 159,000oz priced at US$1,820/oz (refer note 8). The Term Loan and hedging program are secured under a general security arrangement. The facility has been fully drawdown at reporting date.

FINANCE LEASE LIABILITIES

The Group holds hire purchase agreements for the acquisition of mobile equipment. The agreements incorporate fixed rates between 2% and 12%, monthly repayments and expiry dates between June 2021 and June 2026. Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. At 30 June 2021, the Group has $7.659m in unused lease facilities

Notes to the Consolidated Financial Statements (continued)

19. FINANCIAL ASSETS AND LIABILITIES

	Consolidated	
	2021 $'000	**2020 $'000**
Financial assets – current		
Derivative financial asset	2,530	-
Other	19	8
Sub-total – current	**2,549**	**8**
Financial assets – non-current		
Derivative financial asset	3,416	-
Sub-total – non-current	**3,416**	**-**
Total financial assets	**5,965**	**8**
Financial liabilities		
Derivative financial liability	-	363
Total financial liabilities	**-**	**363**

Gold forward contracts have been marked-to-market at 30 June 2021 as per note 8.

Accounting Policies

FINANCIAL ASSETS

Financial assets are initially recognised at fair value, plus transaction costs that are directly attributable to its acquisition and subsequently measured at amortised costs or fair value depending on the business model for those assets and the contractual cash flow characteristics.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on the nature of the derivative.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Notes to the Consolidated Financial Statements (continued)

20. RIGHT OF USE ASSETS

This note provides information for leases where the Group is a lessee.

Amounts recognised in statement of financial position

	Consolidated	
	2021 $'000	**2020 $'000**
Right of use assets		
Buildings	1,163	617
Plant & equipment	7,533	16,040
Less: Accumulated depreciation	(4,254)	(6,865)
Total right of use assets	**4,442**	**9,792**
Right of use lease liabilities		
Current	2,294	6,196
Non-current	2,339	4,229
Total lease liabilities	**4,633**	**10,425**

Amounts recognised in statement of profit or loss and other comprehensive income

	Consolidated	
	2021 $'000	**2020 $'000**
Gain on modification of lease	340	-
Depreciation of right of use assets	(4,817)	(6,865)
Interest expense (included in finance costs)	(948)	(2,001)

Accounting Policies

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Notes to the Consolidated Financial Statements (continued)

21. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, held-for-trading investments, derivative financial instruments, cash and short-term deposits.

The Board of Directors has overall responsibility for the oversight and management of the Group's exposure to a variety of financial risks (including market risk, credit risk and liquidity risk).

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Gold price volatility and exchange rate risks

Any revenue the Group derives from the sale of gold is exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors.

Interest rate risks

The Group's exposure to market interest rates relates to cash deposits held at variable rates. The Board regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions.

Sensitivity analysis

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis

At 30 June 2021, the effect on loss as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	Consolidated	
	2021 $'000	2020 $'000
Change in loss/equity		
Increase in interest rate by 100 basis points	189	86
Decrease in interest rate by 100 basis points	(189)	(86)

CREDIT RISK

The maximum exposure to credit risk at reporting date is the carrying amount of those assets as disclosed in the statement of financial position and notes to the financial statements. The Group has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Credit risk related to balances with banks and other financial institutions is managed by the Board. The Board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least A+. All of the Group's surplus funds are invested with AA and A+ Rated financial institutions.

LIQUIDITY RISK

The responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments.

Notes to the Consolidated Financial Statements (continued)

21. FINANCIAL RISK MANAGEMENT (continued)

Financing arrangements

Refer to note 18 for unused borrowing facilities at reporting date.

FOREIGN CURRENCY RISK

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Consolidated	
	2021 $'000	2020 $'000
Assets		
Cash and cash equivalent	34,932	-
Liabilities		
Interest-bearing liabilities	56,042	-

The Group had net liabilities denominated in foreign currencies of $21.1 million (assets of $34.9 million less liabilities of $56.0 million) as at 30 June 2021 (2020: Nil). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 5% (2020: N/A) against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year and subsequently equity would have been $3.2 million lower/$1.3 million higher (2020: N/A). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2021 was $0.1 million (2020: nil).

Notes to the Consolidated Financial Statements (continued)

21. FINANCIAL RISK MANAGEMENT (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2021	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	30,289	-	-	-	30,289
Interest-bearing – fixed rate						
Finance lease liability	4.8%	699	701	931	10	2,341
Secured loan – Mercuria	9.4%	9,907	15,962	31,923	-	57,792
Lease liabilities	9.3%	2,294	1,117	1,222	-	4,633
Total non-derivatives		**43,189**	**17,780**	**34,076**	**10**	**95,055**

2020	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	34,456	-	-	-	34,456
Interest-bearing – fixed rate						
Finance lease liability	5%	168	105	20	-	293
Lease liabilities	15.5%	6,196	1,715	2,514	-	10,425
Total non-derivatives		**40,820**	**1,820**	**2,534**	**-**	**45,174**

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

FAIR VALUE MEASUREMENTS

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets held for trading
- Derivative financial instrument – receivable in relation to equity swap

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

FAIR VALUE HIERARCHY

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- LEVEL 1
  Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- LEVEL 2
  Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- LEVEL 3
  Measurements based on unobservable inputs for the asset or liability.

Notes to the Consolidated Financial Statements (continued)

21. FINANCIAL RISK MANAGEMENT (continued)

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

VALUATION TECHNIQUES

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation technique selected by the Company is:

- Market approach:
  Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2021			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- held-for-trading Australian listed shares	19	-	-	19
- gold forward contracts	-	5,946	-	5,946

	30 June 2020			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- held-for-trading Australian listed shares	8	-	-	8
- gold forward contracts	-	(363)	-	(363)

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Accounting Policies

FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Consolidated Financial Statements (continued)

21. FINANCIAL RISK MANAGEMENT (continued)

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

INVESTMENT AND OTHER FINANCIAL ASSETS

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Notes to the Consolidated Financial Statements (continued)

22. ISSUED CAPITAL

	Consolidated	
	2021 $'000	2020 $'000
Ordinary shares – issued and fully paid	297,760	236,865

	Number ('000s)	$'000
Movement in ordinary shares on issue		
At 1 July 2019	3,440,646	175,285
Placement	5,926,005	59,260
Issued in lieu of payment	661,608	5,980
Transaction costs	-	(3,660)
Share consolidation (100:1) on 25 May 2020	(9,927,975)	-
On issue at 30 June 2020	**100,284**	**236,865**
At 1 July 2020	100,284	236,865
Placement	56,191	63,638
Issued in lieu of payment	1,781	836
Issued on exercise of options	22	3
Transaction costs	-	(3,582)
On issue at 30 June 2021	**158,278**	**297,760**

Accounting Policies

ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Notes to the Consolidated Financial Statements (continued)

23. RESERVES

	Consolidated	
	Number ('000s)	**$'000**
Share-based payments reserve consists of:		
Share options	8,444	4,767
Performance rights	-	1,410
Total	**8,444**	**6,177**
Balance at 1 July 2019	**766,677**	**5,647**
Options expired	(2,200)	-
Options issued	100,951	1,312
Options forfeited	(21,036)	(782)
Consolidated (100:1)	(835,948)	-
Balance at 30 June 2020	**8,444**	**6,177**
Balance at 1 July 2020	**8,444**	**6,177**
Options expired	(6,736)	-
Options issued	995	1,140
Options forfeited	(549)	(824)
Options exercised	(21)	-
Balance at 30 June 2021	**2,133**	**6,493**

Accounting Policies

SHARE-BASED PAYMENT RESERVES

Options and performance rights are issued to suppliers, directors, employees and consultants. The options and performance rights issued may be subject to performance criteria and are issued to directors and employees of the Company to increase goal congruence between executives, directors and shareholders. Options and performance rights granted carry no dividend or voting rights.

Notes to the Consolidated Financial Statements (continued)

Operating assets and liabilities

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in the capital structure and finance costs section.

Accounting Policies

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when:
- it is expected to be realised or intended to be sold or consumed in a normal operating cycle;
- it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- it is expected to be settled in a normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities, when recognised, are classified as non-current.

24. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2021 $'000	2020 $'000
Current		
GST receivable	2,789	1,412
Fuel tax credit receivable	207	290
Trade debtors	-	349
Other debtors	507	5,024
Total	**3,503**	**7,075**
Non-current		
Bank guarantees (restricted cash)	656	570
Total	**656**	**570**

Accounting Policies

TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ('ATO').

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Notes to the Consolidated Financial Statements (continued)

25. INVENTORIES

	Consolidated	
	2021 $'000	**2020 $'000**
Current		
Consumable stores	4,766	3,751
Ore stockpiles – at cost	7,777	6,726
Ore stockpiles – at net realisable value	6,927	2,980
Gold in circuit – at net realisable value	6,648	2,322
Total current	**26,118**	**15,779**

(a) Amounts recognised in profit or loss

Write-ups of inventories on hand at 30 June 2021 to net realisable value amounted to $68,010 (2020: $1,187,718). Net realisable value changes to inventories during the year are recognised in profit and loss.

Accounting Policies

INVENTORY

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into gold bullion. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product, including royalties.

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on an average basis.

Inventories expected to be sold (or consumed in the case of stores) within 12 months after the reporting date are classified as current assets, all other inventories are classified as non-current.

KEY JUDGMENTS

Inventories

Ore stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated processing plant metal recovery percentage. Stockpile tonnages are verified by periodic surveys.

Notes to the Consolidated Financial Statements (continued)

26. TRADE AND OTHER PAYABLES

	Consolidated	
	2021 $'000	2020 $'000
Current		
Trade payables	9,976	17,992
Accrued expenses	19,363	15,206
Other creditors	950	1,258
Total	**30,289**	**34,456**

Accounting Policies

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

ANNUAL LEAVE

A liability is recognised for the amount expected to be paid to an employee for annual leave they are presently entitled to as a result of past service. The liability includes allowances for on-costs such as superannuation and payroll taxes, as well as any future salary and wage increases that the employee may be reasonably entitled to.

DEFINED CONTRIBUTION SUPERANNUATION EXPENSE

Contributions to defined contribution superannuation plans are recorded in the period in which they are incurred.

Notes to the Consolidated Financial Statements (continued)

27. PROVISIONS

	Note	Consolidated	
		2021 $'000	**2020 $'000**
Current			
Annual leave payable		2,050	1,443
Balance at 30 June		**2,050**	**1,443**
Non-Current			
Long service leave		194	136
Rehabilitation		34,076	31,238
Balance at 30 June		**34,270**	**31,374**
Provision for rehabilitation			
Balance at 1 July		31,238	25,349
Provisions re-measured during the year	12	2,813	5,620
Provision used during the year		-	(14)
Unwinding of discount		25	283
Balance at 30 June		**34,076**	**31,238**

The provision for mine rehabilitation and closure on acquired tenements has been recognised at each reporting date. The provision is based on the net present value of the current life of mine model.

Accounting Policies

PROVISIONS

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

LONG SERVICE LEAVE

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service up to reporting date, plus related on costs. The benefit is discounted to determine its present value and the discount rate is the yield at the reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

KEY JUDGMENTS

Site rehabilitation

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets' retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Notes to the Consolidated Financial Statements (continued)

Other disclosures

28. SHARE-BASED PAYMENTS

Options and performance rights are issued to directors, employees and service providers. The options and performance rights issued may be subject to performance criteria and are issued to directors and employees of the Company to increase goal congruence between employees, directors and shareholders. Options and performance rights granted carry no dividend or voting rights.

SUMMARY OF OPTIONS GRANTED

The following table illustrates the number ('No.') and weighted average exercise prices ('WAEP') of, and movements in, share options issued under the Employee Option Plan during the year:

	2021		2020	
	No.	WAEP	No.	WAEP
At beginning of reporting period	8,444,209	$3.076	766,677,036	$0.035
Granted during the period:				
- Employees and service providers	995,423	-	100,951,392	-
Forfeited during the period	(549,347)	-	(21,036,347)	-
Exercised during the period	(20,699)	-	-	-
Expired during the period	(6,736,386)	$3.000	(2,200,000)	$0.332
Consolidation (100:1)	-	-	(835,947,872)	-
Balance the end of reporting period	**2,133,200**	**$2.700**	**8,444,209(i)**	**$3.076(i)**
Exercisable at end of reporting period	**756,462**	**$7.614**	**7,456,386(i)**	**$3.483(i)**

(i) Note: These figures are post-consolidation of the Company's securities, being 100:1, completed on 25 May 2020.

	2021	2020(i)
Weighted average remaining contractual life	2.5 years	0.9 years
Range of exercise prices	$0.00 - $8.00	$0.00 - $8.00
Weighted average fair value of entitlement offer options granted during the year	$0.000	$0.000
Weighted average fair value of employee and service providers' options granted during the year	$1.150	$1.300
Weighted average fair value of directors' options granted during the year	$0.000	$0.000

(i) Note: These figures are post-consolidation of the Company's securities, being 100:1, completed on 25 May 2020.

KEY ESTIMATES

Equity-based payments

The fair value of options granted to directors, executives and contractors is recognised as an expense with a corresponding increase in contributed equity. The fair value is measured at grant date and recognised over the period during which the directors, executives and contractors becomes unconditionally entitled to the options.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected divided yield and the risk-free interest rate for the term of the option.

Notes to the Consolidated Financial Statements (continued)

28. SHARE-BASED PAYMENTS (continued)

OPTION PRICING MODEL

The following table lists the inputs to the Hoadley 3b Hybrid ESO-Relative TSR v Index valuation model used for the year ended 30 June 2021:

Allottee	Number of options	Fair value at grant date per option $	Estimated volatility %	Life of option until expiry (years)	Exercise price $	Share price at grant date $	Risk free interest rate %
Directors & employees	811,985	$1.112	100%	4	$0.00	$1.455	0.42%
Director	183,438	$1.294	100%	4	$0.00	$1.720	0.30%

The following table lists the inputs to the Black-Scholes & Monte Carlo pricing models used for the year ended 30 June 2020:

Allottee	Number of options	Fair value at grant date per option $	Estimated volatility %	Life of option (years)	Exercise price $	Share price at grant date $	Risk free interest rate %
Directors & employees	824,995[(i)]	$1.30	90%	4	$0.00	$1.30	2.16%
Directors & employees	137,748	$1.30	90%	4	$0.00	$1.30	2.16%

(i) Note: These figures are post-consolidation of the Company's securities, being 100:1, completed on 25 May 2020.

29. RELATED PARTIES

KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation included in employee benefits expense and share-based payments (note 28) is as follows:

	Consolidated	
	2021 $'000	2020 $'000
Short-term employee benefits	2,783	2,165
Long-term employee benefits	211	335
Post employment benefits	160	129
Termination benefits	82	-
Total compensation	**3,236**	**2,629**

CONTROLLED ENTITIES

The consolidated financial statements include the assets, liabilities and results of the following wholly-owned subsidiaries:

Name of controlled entity	Country of incorporation	Consolidated entity company holding the investment	% Entity Interest	
			2021	2020
Scaddan Energy Pty Ltd	Australia	Wiluna Mining Corporation Limited	100%	100%
Zanthus Energy Pty Ltd	Australia	Scaddan Energy Pty Ltd	100%	100%
Lignite Pty Ltd	Australia	Scaddan Energy Pty Ltd	100%	100%
Wiluna Gold Pty Ltd	Australia	Wiluna Mining Corporation Limited	100%	100%
Kimba Resources Pty Ltd	Australia	Wiluna Gold Pty Ltd	100%	100%
Wiluna Operations Pty Ltd	Australia	Wiluna Gold Pty Ltd	100%	100%

Wiluna Mining Corporation Limited is the parent entity of the Group.

Notes to the Consolidated Financial Statements (continued)

29. RELATED PARTIES (continued)

TRANSACTIONS WITH RELATED ENTITIES

XAVIER GROUP PTY LTD ('XAVIER')

Mr Milan Jerkovic is an officer and co-owner of Xavier, a company who provides consulting and corporate advisory services to the Group. During the year, Xavier was paid $729,182 (2020: $318,217) for consulting services provided to the Group. $336,182 (2020: $40,468) was outstanding at balance date.

All transactions were made on normal commercial terms and conditions, and at market rates.

LOANS TO/ FROM RELATED PARTIES:

There were no loans from related parties as at 30 June 2021 and 30 June 2020.

30. JOINT VENTURES AND ASSOCIATES

Joint Operation	Joint Operation Parties	Principal Activities	30 June 2021 Interest %	30 June 2020 Interest %
Wilconi JV	Wiluna A-Cap Resources Limited	Exploration	20%	20%

The joint venture operations are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not in themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint operation assets.

31. PARENT ENTITY INFORMATION

The following information is for the parent entity, Wiluna Mining Corporation Limited, at 30 June 2021. The information presented here has been prepared using consistent accounting policies as detailed in the relevant notes of this report.

	2021 $'000	2020 $'000
Current assets	60,794	13,994
Non-current assets	194,890	128,189
Total assets	**255,684**	**142,183**
Current liabilities	(62,988)	(5,973)
Non-current liabilities	(90)	(72)
Total liabilities	**(63,078)**	**(6,045)**
Issued capital	297,760	236,866
Reserves	6,493	6,177
Accumulated losses	(111,647)	(106,905)
Total equity	**192,606**	**136,138**
Total comprehensive (loss)/profit of the parent	**(4,742)**	**11,849**

There are no contingent liabilities of the parent entity as at the reporting date.

Notes to the Consolidated Financial Statements (continued)

32. COMMITMENTS

FINANCE LEASES

The Group holds finance leases for the acquisition of motor vehicles and heavy mobile equipment. The agreements incorporate a fixed rate between of 2% and 12% (2020: 2% and 12%), monthly repayments and expiry dates between June 2020 and June 2026:

	Consolidated	
	2021 $'000	2020 $'000
Not longer than one year	699	168
Longer than one year, but not longer than five years	701	105
Longer than five years	941	20
Total	**2,341**	**293**

CONTRACTUAL COMMITMENTS

In May 2021, the Group extended its agreement with Synergy for the supply of gas to the Matilda-Wiluna Gold Operation out to 2024. The terms of these agreement commit the Group to purchasing a minimum amount of gas for the term of the contract. As at 30 June 2021, at the current contract price, the Group had commitments to purchase gas for the remaining term of $4,200,000 (2020: $1,379,000).

During FY21, the Group's agreements with APA and Goldfields Gas Transmission Pty in relation to gas transportation to the Matilda-Wiluna Gold Operation, were extended out to 2023 with no other amendments made to the terms. The terms of the agreements commit the Group to transporting a minimum monthly amount of gas for the term of the contract. As at 30 June 2021, at the current contract prices, the Group had commitments for the use of the pipeline for the remaining term of $2,524,000 (2020: $710,000).

	Consolidated	
	2021 $'000	2020 $'000
Not longer than one year	2,842	1,627
Longer than one year, but not longer than five years	3,881	462
Longer than five years	-	-
Total	**6,723**	**2,089**

Additionally, the Company has a limited commitment to deliver and sell 1.65% of its monthly gold production to Osisko Bermuda Limited at a 70% discount to the prevailing spot gold price (but limited to at a price not higher than US$600 per ounce). As at 30 June 2021, the Company had 3,756 ounces of gold remaining to be delivered under this arrangement.

The Company pays an indefinite royalty to Franco Nevada, being 3.6% of revenue (net of refining costs, gold freight and the 2.5% Western Australian State Government royalty).

Notes to the Consolidated Financial Statements (continued)

33. CONTINGENT ASSETS AND LIABILITIES

CONTINGENT ASSETS:

As part of the farm-in and Joint Venture Agreement with A-Cap Resources Limited on the exploration tenements ('project') owned by the Group, the following contingent assets exist:

- $1 million in cash and issuing A-Cap Resources Limited' shares equal to $1.5 million on exclusive right to earn 20% participant interest on the project by A-Cap Resources Limited (Third Earn in Interest).

CONTINGENT LIABILITIES:

As part of the Underground Mining Labour and Equipment Hire and Maintenance contract executed on 1 July 2020 with Murray Engineering Pty Ltd ('The Contractor'), the following contingent liability exists at 30 June 2021 in the event that Wiluna Operations Pty Ltd ('The Principal') deems that services are no longer required for the underground mining operations (provided that the Contractor is not in breach of its obligations):

- For those specific items of equipment set out in the Scope of Works, the Principal shall either pay the termination fee calculated to purchase the redundant items of equipment, (initially being $5.7m when the contract was executed on 1 July 2020, reducing/amortising in line with the remaining term of the 4 year contract) or shall pay the fixed costs of equipment up to the point the equipment can be re-deployed by the Contractor to another project.

34. AUDITOR'S REMUNERATION

	Consolidated	
	2021 $'000	2020 $'000
Audit services – RSM Australia Partners		
- Auditing or reviewing the financial report	137	137
- Other services	-	3
- Other services- RSM UK	32	-
Total	**169**	**140**

35. SUBSEQUENT EVENTS

On 21 July 2021, Mr Colin Jones and Mr Hansjoerg Plaggemars were appointed as non-executive directors and on 31 July 2021, Mr Anthony James retired as non-executive director.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

36. ROUNDING

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Directors' Declaration

In accordance with a resolution of the directors of Wiluna Mining Corporation Limited, I state that:

1. **In the opinion of the directors:**
   (a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;
   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. **The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2021.**
3. **The directors draw attention to the notes to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.**

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the board

Milan Jerkovic

Milan Jerkovic
Executive Chair

Perth, 30 August 2021

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Members of Wiluna Mining Corporation Limited

Opinion

We have audited the financial report of Wiluna Mining Corporation Limited (**Company**) and its subsidiaries (**Group**), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (**Code**) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How our audit addressed this matter**
Mine properties - Refer to Note 12 and 13 in the financial statements	
At 30 June 2021, the Group held mine properties with a carrying value of $135 million. The carrying value of these assets is considered a key audit matter due to the significant judgement involved in determining the appropriate accounting treatment. Areas of judgement include: • The transfer of the exploration and evaluation asset to mine properties during the year; • Application of the units of production method in determining the amortisation charge. This includes determining the appropriate mine reserve estimate and the cost allocation attributable to each asset; and • The recognition and measurement of the deferred stripping asset, which involves determining the date of commercial production, identifying the components within the ore body being stripped, determining the costs relating to the stripping activity and estimating the stripping ratio in accordance with the Life of Mine Plan.	Our audit procedures included: • Reviewing management's amortisation models and agreeing key inputs to supporting information. This included an assessment of the work performed by management's expert in respect of the Life of Mine Plan and the mine reserve estimate, including the competency and objectivity of the expert; • Testing the mathematical accuracy of the amortisation rates applied; • Reviewing management's assessment that the technical feasibility and commercial viability of extracting a mineral resource was demonstrable, and that exploration and evaluation assets are properly transferred to mine properties; • Agreeing a sample of the additions, including the transfer of the exploration and evaluation asset to mine properties during the year to supporting documentation to ensure that the amounts were capital in nature; and • Assessing whether the recognition of the deferred stripping asset was consistent with the requirements of Interpretation 20: *Stripping Costs in the Production Phase of a Surface Mine*, including the determination of the date of commercial production and the identification of the relevant ore body.

Independent Auditor's Report

Key audit matter	How our audit addressed this matter
Impairment of Group's Matilda-Wiluna Gold Mine cash-generating unit - Refer to Note 11, 12,13 and 20 in the financial statements	
The Group performs impairment assessments when events or changes in circumstances occur in respect of mining production from the Group's Matilda-Wiluna Gold Mine cash-generating unit (**CGU**). The CGU is comprised of processing plant, right of use assets and mine properties, with a carrying value of $225 million at the reporting date. Impairment indicators were identified during the current financial year in respect of the CGU, which caused management to perform an impairment assessment in accordance with AASB 136 *Impairment of Assets*. Management's assessment of the recoverable amount of the CGU was performed using a value in use model, which involved significant judgements, assumptions and estimates. The value in use model was based on expected future cash flows, which are inherently uncertain and are affected by a number of factors as set out in the Life of Mine Plan, including reserves and production estimates, economic factors such as discount rate, gold price, estimate of production costs, foreign currency exchange rate and future capital expenditure and the resource valuation. Management concluded that impairment of the CGU was not required for the year ended 30 June 2021. We determined this area to be a key audit matter due to the significant account balances and the judgement involved in the preparation of the value in use model as discussed above.	Our audit procedures included: • Assessing management's determination of allocating the non-current assets to a single CGU based on the nature of the Group's business and the manner in which results are monitored and reported; • Assessing the appropriateness of the value in use model prepared by management; • Challenging the reasonableness of key assumptions used in the value in use model, including the: - Future production levels and operations costs; - Future commodity prices and exchange rates; - Estimated reserves and resources; - Discount rate applied; and - Life of Mine Plan; • Checking the mathematical accuracy of the value in use model and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; • Performing sensitivity analyses to consider the impact of changes in key judgements, assumptions and estimates on the recoverable amount and the impact on the impairment assessment of the CGU; and • Assessing the adequacy of the disclosures in the financial statements.

Independent Auditor's Report (continued)

Key audit matter	How our audit addressed this matter
Provision for rehabilitation - Refer to Note 27 in the financial statements	
As a result of the Group's past activities, there is an obligation to rehabilitate and restore mine sites. As at 30 June 2021, the Group has brought to account a provision for rehabilitation of $34 million. We considered this to be a key audit matter due to the significant management judgement and estimates involved in assessing the provision for rehabilitation including: • Determination of costs to be incurred in future years and its timing; • Complexity involved in the quantification of the provision based on areas disturbed; and • The methodology used to calculate the provision amount to ensure compliance with Australian Accounting Standards.	Our audit procedures included: • Obtaining an understanding of the process involved in the determination of the provision; • Checking the mathematical accuracy of the model used to calculate the provision; • Reviewing the reasonableness of the inflation rate, discount rate and timing of the rehabilitation cashflows assumptions used in the model; • Reviewing areas of disturbances and estimated costs on a sample basis by agreeing to supporting documents; • Ensuring the movement in the provision has been accounted for in accordance with Australian Accounting Standards; and • Assessing the appropriateness of the disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Wiluna Mining Corporation Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

David Wall
Partner
RSM Australia Partners

Perth, WA
Dated: 30 August 2021

ASX Additional Shareholder Information

SHAREHOLDING

The distribution of members and their holdings of equity securities in the Company is

Number Held as at 21 September 2021	Number of Holders	Fully Paid Ordinary Shares	%
1 - 1,000	1,572	788,962	0.50%
1,001 - 5,000	1,195	3,102,393	1.96%
5,001 – 10,000	434	3,338,200	2.11%
10,001 - 100,000	512	15,572,236	9.84%
100,001 and over	94	135,505,493	85.60%
Totals	**3,807**	**158,307,284**	**100%**

The number of holders with less than a marketable parcel of fully paid ordinary shares is 743 holding a total of 176,558 shares.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as at 21 September 2021 (based on substantial shareholder notices received by the Company):

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT AND ITS AFFILIATES	55,260,360	34.91%
FRANKLIN RESOURCE, INC. AND ITS AFFILIATES	6,000,000	5.98%

VOTING RIGHTS

ORDINARY SHARES

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest ordinary fully paid shareholders at 21 September 2021:

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	21,728,103	13.73%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,057,319	10.77%
SPARTA AG	14,950,000	9.44%
CITICORP NOMINEES PTY LIMITED	10,316,293	6.52%
MR MAXIN GEYZER	6,410,000	4.05%
BRISPOT NOMINEES PTY LTD	5,769,956	3.64%
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	4,911,112	3.10%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	4,903,345	3.10%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,085,529	2.58%
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	3,264,659	2.06%
HEIDELBERGER BETEILIGUNGSHOLDING AG	3,120,000	1.97%
MR SIMON CATT	3,113,661	1.97%
DEUTSCHE BALATON AKTIENGESELLSCHAFT	2,822,400	1.78%
2 INVEST AG	2,756,000	1.74%
BNP PARIBAS NOMINEES PTY LTD - ACF CLEARSTREAM	2,476,256	1.56%
BNP PARIBAS NOMINEES PTY LTD	1,914,968	1.21%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – EUROCLEAR BANK	1,864,692	1.18%
BNP PARIBAS NOMINEES PTY LTD - DRP	1,619,309	1.02%
MR MILAN JERKOVIC	1,253,202	0.79%
ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD	1,250,000	0.79%
Total	**115,586,804**	**73.01%**

ASX Additional Shareholder Information (continued)

UNLISTED OPTIONS

The unlisted options on issue at 21 September 2021:

Details of Holders	Number of Holders	Exercise price	Expiry Date	Number of options Held
Various holders – issued pursuant to ESOP	2	Nil[1]	31 Dec 2021	7,661
Various holders – issued pursuant to ESOP	19	Nil[1]	30 Jun 2023	651,015
Lind Asset Management XIV, LLC	1	$8.00	13 Feb 2024	720,000
Various holders – issued pursuant to ESOP	16	Nil[1]	30 Jun 2024	725,722
Various holders – issued pursuant to ESOP	41	Nil[1]	30 Jun 2025	1,507,530

1. Zero priced options issued to employees pursuant to the terms and conditions of the Company's Employee Share Option Plan (ESOP).

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