

ASX Announcement

18 May 2022
ASX: WMC



Request for Continuation of Voluntary Suspension

ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Attention: Shannon Nicholson

tradinghaltspert@asx.com.au

Dear Shannon

Request for Continuation of Voluntary Suspension – Wiluna Mining Corporation Limited (WMC)

In accordance with Listing Rule 17.2, Wiluna Mining Corporation Limited (“Wiluna Mining” or “Company”) requests that its securities remain in voluntary suspension pending the finalisation of a recapitalisation proposal which is expected to be completed by the end of June 2022.

In accordance with Listing Rule 17.2, Wiluna Mining advises that:

1. Whilst the initial trading halt requested on 6 May 2022 and the current voluntary suspension requested on 11 May 2022 were granted pending an announcement regarding a proposed capital raising, the Company considers it is now appropriate for the period of voluntary suspension to be extended to enable the company to manage its continuous disclosure obligations whilst continuing discussions with financiers regarding a proposed recapitalisation of the company;
2. An extension to the voluntary suspension is necessary to enable the Company to finalise the recapitalisation of the Company, which is designed to deleverage the Company’s balance sheet, improve the Company’s working capital position and de-risk the Company’s business;
3. As per the announcement dated 16 May 2022, the Company has been impacted by several factors outside of its control including:
 - The COVID-19 pandemic, as well as significant shortages of skilled labour in the state of Western Australia has resulted in delays to the Company’s underground mining activities;
 - Ongoing conflict in Ukraine which has negatively impacted and delayed the sale and monetisation of gold concentrate and our proposed UK listing; and
 - Shipping and supply/logistical constraints of critical outstanding components of the WilTails plant which has pushed commissioning of the WilTails Plant out to August.

The above has negatively impacted the Company’s cashflows and has resulted in the requirement to raise additional capital in the near term to meet its objectives.

The Company currently has cash assets of approximately \$8 million and anticipates a net cash outflow of \$24 million, after receipts from sales, will be required to normalise its creditors and receivables. The Company is in the process of determining the minimum capital raising required to achieve the abovementioned normalisation of its working capital position and to meet its short-term objectives.

4. At the date of this request for a continuation of voluntary suspension, the Company has not yet finalised the proposed terms or structure of the capital raising that it intends to undertake to achieve the recapitalisation referred to above. The Company will determine the structure of, and undertake any capital raising, pursuant to the ASX Listing Rules;

5. The Company is of the opinion that, given the proposed recapitalisation has not been completed, that re-instatement of trading of its securities at this time is likely to be materially prejudicial to the completion of the proposed capital raising relating to the recapitalisation stated above;
6. The Company requests that its securities remain in voluntary suspension until the finalisation of the proposed recapitalisation, which is anticipated to occur by the end of June 2022; and
7. The Company is not aware of any reason why the voluntary suspension should not be granted, nor of any other information relevant to this request.

This voluntary suspension request has been approved by the Executive Chair of Wiluna Mining.

A handwritten signature in black ink, appearing to read 'D. Travers'.

Dan Travers
Company Secretary