WILUNA MINING

Annual Report 2020

The right place, the right plan, the right team and the right time.

WILUNA MINING

Delivering on our promise

Company Directory

DIRECTORS
Milan Jerkovic
Executive Chair

Greg Fitzgerald
Non-Executive Director

Anthony James
Non-Executive Director

Sara Kelly
Non-Executive Director

COMPANY SECRETARY
Dan Travers

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SECURITIES EXCHANGE LISTING
Australian Securities Exchange
Code: BLK

SECURITIES ON ISSUE
Ordinary shares: 100,470,068
Unlisted options/ZEPO's: 2,519,532

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> "The past year has delivered considerable change to Wiluna Mining and to its shareholders. We are 12 months into a staged 24 month strategic plan to revive the Company and point it on the correct pathway, execute the strategy, define the true scale of the Wiluna Mining Complex and deliver real value to our shareholders."

Milan Jerkovic, Executive Chair

COMPANY HIGHLIGHTS

Reserves (100%)

1.4Moz
24.7Mt at 1.7g/t

Resources (100%)

Wiluna Mining Complex
7.3Moz
143Mt at 1.6g/t

Wiluna Mining Centre
5.1Moz
53Mt at 3g/t

Wiluna Mining Operation is currently the 7th largest gold district in Australia under single ownership

FY2020 Production

62kozpa
at AISC of A$1,950/oz

FY Hedging

34koz
at A$2,674/oz

- **2.1Mtpa** CIL free milling operation
- **120kozpa** by October 2021
- **250kozpa** by January 2024
- Staged transition to concentrate production with long 12+ years mine life

Executive Chair's Letter

The year ended 30 June 2020 was a watershed for Wiluna Mining. Following a couple of very difficult years, the Company's renewal commenced around 12 months ago and continues as I write this letter to you, our loyal shareholders. This process will continue for several more years as we strive to make Wiluna a Tier 1 mine in a Tier 1 jurisdiction[1].

Dear Shareholders,

I am pleased to advise that, after a number of poor years of financial performance, the Company posted a net profit of A$14 million for the financial year ended 30 June 2020. During the financial year, an additional A$96 million of additional cash was injected into the Company via operating cashflow, equity raising and non-core asset sales. This allowed us to improve our working capital position by A$34 million, retire A$15 million of debt and fund a A$61 million site-based capital development programme. The improvement in financials and the Company's balance sheet this past year has been significant, because we now have a platform to move forward with confidence having put past legacy issues behind us.

It had become very obvious to the Board towards the end of the last financial year that the Company, despite increasing gold prices, could not continue down the same path and strategy that had been pursued for the previous three years. Some of the past issues included;

- Mining small and often unstable open pits which required considerable capital to access the good ore;
- Often these small open pits had a very short mine life and regularly transitioned very quickly from free milling to transitional ore, and then refractory ore which complicated mine planning and recoveries;
- Poor reconciliations in some of the open pits due to the difficult geology;
- Development focus was lacking for the underground mine at Golden Age which meant we did not have the consistent availability of high grade ore to blend with the lower grade open pit ore; and,
- Inconsistent performance meant poor operational cashflow and pressure on our balance sheet which resulted in the Company not being able to invest in a long dated mine plan.

As a result, towards the end of the 2019 financial year, it was agreed that the following steps needed to be taken;

1. We needed refreshed management to realign the Company to a strategy that was not only going to guarantee the long term future of the Company, but was going to position the Company to take advantage of the significant potential and scale of the Wiluna Mining Complex and be able to successfully execute this strategy;
2. We needed to repair and strengthen our balance sheet;
3. We needed to maintain and increase immediate operational cashflow;
4. We needed to transition to include gold concentrate production from our vast resource of refractory ore;
5. We needed to expand gold production in a staged manner by undertaking feasibility to fully develop a greater than 250kozpa, long life gold operation; and,
6. Define the large Wiluna gold system to its full potential via discovery.

1 Tier 1 Mine – Mine with a stated mine life of greater than ten years with annual production of greater than 300kozpa gold or gold in concentrate; Tier 1 Jurisdiction is Australia, Canada and the USA

> "The Company posted a net profit of A$14 million for the financial year ended 30 June 2020. During the financial year an additional A$96 million of additional cash was injected into the Company via operating cashflow, equity raising and non-core asset sales."

In addition to these six decisions, the Board decided that we should rebrand the Company, maintaining and refocusing on the proud name of Wiluna, which has been a great, significant, and successful mining centre over 120 years. This rebranding exercise was completed late this financial year with the name change to Wiluna Mining Corporation (Wiluna Mining) and the consolidation of shares back to a manageable and more respectable 100 million.

I am proud to say that at the time of writing, 12 months into a 24 month reset, the Company is tracking well to its strategic plan. Management has been replenished with a greater focus on experienced technical people to guide the Company through this development stage. The previous team, led by Bryan Dixon, did a very good job under tough conditions to bring together the entire land package of Wiluna under one Company's control and were able to fast track production with limited resources and they must be thanked and respected for the job they performed. It was, however, felt that the new strategy required new thinking and a new skill set and this has largely been achieved in the past 12 months and I am very confident the team in place can now confidently and skilfully guide Wiluna Mining through the next three to five years of a very exciting development phase.

The repair of the balance sheet has been completed and now its improvement continues and is ongoing. In the last 12 months we were able to bring an additional A$117 million cash into the Company, $96 million during the financial year just completed (see above) and A$21 million post balance sheet through debt, which enabled us to;

- Repay the secured debt to our contractor;
- Bring payables in line with normal credit terms;
- Repay an unpopular convertible note;
- Allowed us to exit our mining contractor from the share registry;
- Spend considerable capital on the site-based capital development programme;
- Help fund the advancement of our Stage 1 development plan through a very aggressive drilling programme designed to enhance the confidence category of Mineral Resources and to convert Mineral Resources into Reserves; and,
- Assist in funding of the construction of the concentrator.

This task of improving the balance sheet will naturally be ongoing, because developing a large scale project like the Wiluna Mining Complex requires a strong balance sheet so as to be able to properly exploit its true potential, and although we have made giant steps in the last 12 months the task is ongoing and at the forefront of our thinking and strategy looking forward.

The planning for a staged, two-phased development is well underway. We consider this the most prudent way to develop Wiluna to its potential and take advantage of its vast scale. We also think it is ambitious; when Stage 1 is completed, at the current gold price it should generate approximately A$100 million of normalised annual operating cashflow. In Stage 2, if we were to achieve approximately 250kozp within four years, this would place Wiluna as one of the 20 largest single site gold producing mines in a Tier 1 jurisdiction. So, the rewards for a well-planned, responsible, staged and well executed two-phased development strategy are significant and should excite all Wiluna Mining shareholders.

The final component we are currently undertaking is what we call our discovery step. The reason that I, and the team at Wiluna Mining, are so passionate about the future of the Company is because of the potential scale of the geology at the Wiluna Mining Complex. Exploration and mining at Wiluna has mostly been confined to shallow depths, on average less than 600 metres below surface. The potential from 600-1,800 metres is largely untested and this will be our focus in the coming months and years. The potential to increase the already significant Mineral Resource at Wiluna is very real and achievable. The exciting thing is the potential is all 'under the headframe', located next to existing workings and infrastructure.

In defining the significant discovery opportunities, the Wiluna Mining Complex is not only the Wiluna Mining Centre, but also includes discovery opportunities at the following company assets including;

- Regent- potentially another Wiluna and certainly indications of its possible scale match those of Wiluna;
- Lakeway- potential for a large-scale 'Gruyere' style mineralised system;
- Prospective geology for 'King of the Hills' and Bellevue vein-style deposits; and,
- Numerous Regional Greenfield and Brownfields opportunities.

Unlike many of our ASX listed gold mining peers, we do not have to look overseas to far flung locations such as Alaska, Ontario, West Africa, Latin America or PNG to try and chase growth and discovery opportunities. We have all these opportunities on our own 1,600km^2 tenement package at Wiluna, in the Tier 1 located Yilgarn Craton surrounded by our largely funded, plentiful existing infrastructure, less than two hours flying time from Perth.

Wiluna Mining's Four Pillar of Our Buiness

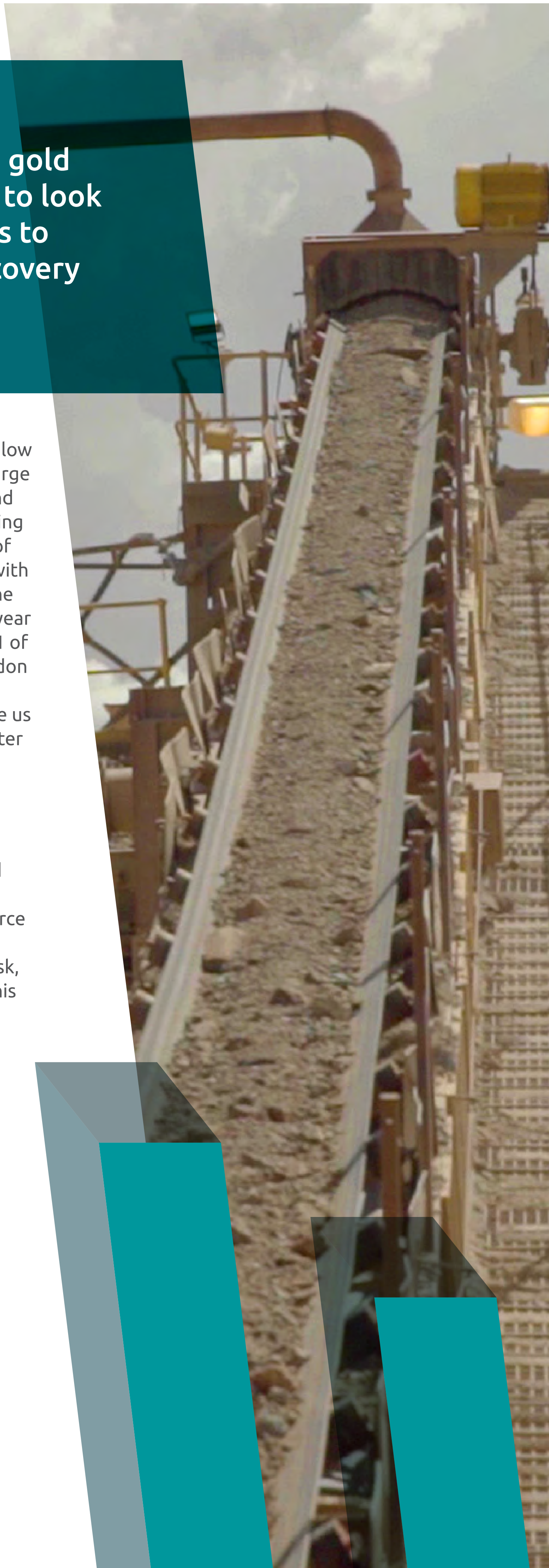
Having discussed two of the four pillars of our business being growth and discovery, I would like to make some comment on the other two pillars of our business. Firstly, operations. We have gone to great lengths to try and explain to our stakeholders that the sole reason for us continuing with our small and relatively high cost (on an AISC basis) production operation is because firstly, we have now largely incurred the majority of the mining costs for the next 12-14 months production (especially at Williamson); and secondly we are hopeful that our operations will generate over A$40 million in operating cashflow between now and the commencement of Stage 1 in September 2021. That is A$40 million that will go towards our development and our drilling which will hopefully increase the value of our assets and it is also $40 million we will not need to fund from external sources.

We expect open pit mining to be significantly scaled down by the end of this year which will save considerable operating costs from the start of calendar 2021 which will improve operating cashflow. It is not appropriate for us to be compared with our operating peers at this stage of our development. We are a development gold company transitioning to producing primarily a low cost gold concentrate from underground sulphide ore that just happens to have an existing operation that will be shut down in September 2021 to make way for the new production circuit which will open at that time.

The fourth pillar of our business is corporate and Environmental, Sustainability and Governance (ESG). At Wiluna Mining we cherish our safety record; we are proud of our response to the COVID-19 crisis. We also want to employ good people and create good leaders. We respect all the people who make up the Wiluna team, we want a safe and caring culture, creating a respectful and trusting relationship with our partners, our staff, our community and our shareholders. We are striving to work to a high ethical standard and to generate value for our shareholders in a socially and environmentally responsible manner.

Despite the great optimism we have for the future, we recognise that the past three years have been very challenging. I am proud of the way the team at Wiluna Mining have handled these setbacks and the tenacity they have shown to pull the Company through the tough times. I am also very grateful to the key stakeholders, and importantly our shareholders, who have showed continued support and belief as we work hard to unlock the vast geological potential across our business. I would also like to acknowledge the considerable efforts of our founding and departing Managing Director Bryan Dixon, whose spirited contributions to this Company has laid the foundations for future success.

> Unlike many of our ASX listed gold mining peers, we do not have to look overseas to far flung locations to try and chase growth and discovery opportunities."



The Company has been focused on developing a low risk, low cost pathway to deliver value from its large sulphide resource. There has been strong demand from parties to secure gold concentrate and during the year, we signed sales agreements for 100% of the first three years of concentrate production with leading international companies Trafigura and the LSX listed, Polymetal Group. Post 30 June 2020 year end we drew down on the A$21 million tranche 1 of our pre-paid gold swap funding facility with London based Mercuria Group. These transactions with highly reputable, international organisations give us confidence that we are attracting the right counter parties to assist in growing our business.

Finally, I would like to thank all of partners, our counterparties, stakeholders, our community at Wiluna and in Perth, our staff, the management team and my fellow Directors for the efforts and the support they have shown in this transitional year. The regional scale and quality of our resource base is unique for a company of our size and we are committed to executing a methodical, low-risk, low cost pathway to define and commercialise this value. As Wiluna strives towards implementing a simple and transparent corporate strategy, I am confident that shareholders will be rewarded.

Thank you.

Milan Jerkovic
Executive Chair
31 August 2020

REVIEW OF OPERATIONS

The 2020 financial year saw Wiluna Mining develop a clear, long dated, staged 24 month strategy to not only turn the Company around from a performance point of view, but to also maximise value to our shareholders.

The Company has four pillars to its business:

Discovery

"Under the headframe" exploration

Regional exploration

Operations

Currently operating a CIL plant, processing free milling ore producing approximately

62kzopa

aiming to generate at least

A$4.0m

per month of operating cashflow, until October 2021

Growth

Growth to be delivered in two stages

Stage 1

Gold doré and gold in concentrate production of

120kozpa

October 2021

Stage 2

Gold doré and gold in concentrate production of

+250kozpa

expected January 2024

Corporate and ESG

Good, smart people and strong leaders, safe and responsible culture, solid, respectful and trusting relationships with our partners and community, and high ethical standards.

We want to generate value for our shareholders in a socially and environmentally responsible way.

In addition to the four pillars of business, Wiluna Mining is halfway through 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 – Underway
3. Transition to include gold concentrate production – Underway
4. Expand gold production by undertaking feasibility to fully develop a greater than 250kozpa, long life gold operation – Underway; and
5. Define the large Wiluna gold system to its full potential via discovery – Underway

Operations

Gold production for FY2020 was 61,885oz at an AISC of A$1,950/oz (Cash Cost per Ounce of A$1,631/oz) with A$36 million of operating cash flow (net of sustaining capital expenditure) generated. Over the same period there was significant concurrent investment into site-based capital infrastructure (primarily the new tailings storage facility, TSF K) and preproduction mining activities (primarily at Williamson).

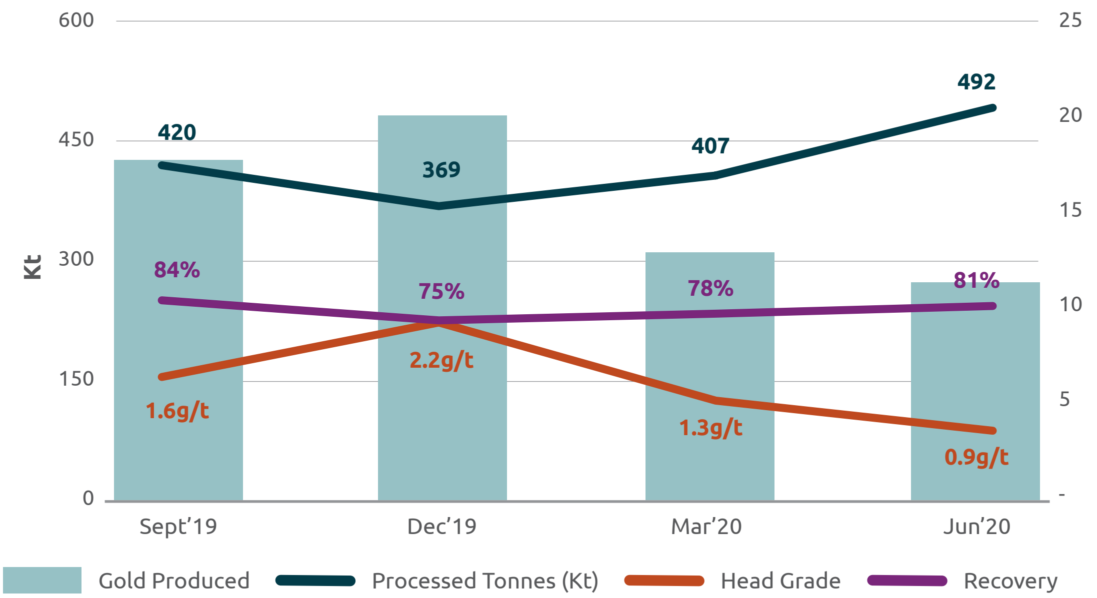
These major investing activities will sustain and create substantial value over the next 12-15 months as the Company transitions to the production of gold in concentrate.

Table 1: FY2020 Production & Costs Summary

Production	Unit	Sep'19 Qtr	Dec'19 Qtr	Mar'20 Qtr	Jun'20 Qtr	FY20 YTD
Open Pit Mining						
Total mining	bcm	1,477,656	1,070,642	1,627,463	2,320,767	6,496,528
Strip ratio	w:o	7.2	8.7	21.4	10.1	10.3
Ore mined	t	420,088	278,081	165,702	465,081	1,328,952
Mined grade	g/t	1.4	2.2	1.3	0.8	1.3
Underground Mining						
Total UG lateral development	m	66	64	55	224	409
Ore mined	t	29,773	30,363	20,556	19,662	100,354
Mined grade	g/t	5.2	4.1	4.1	3.0	4.2
Total ore mined	t	449,861	308,444	186,258	484,743	1,429,306
Total mined grade	g/t	1.6	2.4	1.6	0.9	1.5
Total OP & UG contained gold	oz	23,664	23,728	9,674	14,082	71,148
Processing						
Tonnes processed	t	420,242	368,925	407,282	491,842	1,688,291
Grade processed	g/t	1.6	2.2	1.3	0.9	1.4
Recovery	%	84%	75%	78%	81%	79%
Gold Produced	**oz**	**17,565**	**20,003**	**12,950**	**11,367**	**61,885**
Gold sold	oz	17,783	20,453	12,635	11,918	62,788
Achieved gold price	A$/oz	1,882	2,072	2,267	2,460	2,131

Costs	Unit					
Mining – net of costs capitalised to preproduction	A$/oz	960	535	858	1,501	879
Processing	A$/oz	453	464	784	951	602
Site administration	A$/oz	81	86	165	207	120
Stockpile movements	A$/oz	(160)	20	264	13	15
Royalties, refining costs & silver sales	A$/oz	129	140	144	202	147
Sustaining capital expenditure	A$/oz	34	260	37	337	159
Overhead costs	A$/oz	22	22	34	43	28
All-In-Sustaining Costs Per Ounce	**A$/oz**	**1,519**	**1,527**	**2,287**	**3,253**	**1,950**

Table 2: Wiluna Gold Production



The year really was a story of two halves. The September and December quarters saw 37,568oz produced at AISC/oz of A$1,524 whilst the March and June 2020 quarters saw production at 24,317oz at AISC/oz of approximately A$2,707. The Company's AISC (in absolute dollars) averaged A$10 million per month throughout the year however the higher AISC/oz for the March and June 2020 quarters was primarily driven by lower grades mined and processed, and slower than expected access to ore from Williamson and the Underground (due to equipment issues which have since been rectified).

- Production in the June 2020 quarter was impacted by grade reconciliation issues in three small pits being mined at Wiluna Mining Centre. The decision to mine these small pits was made to compensate for delayed access to ore at Williamson.
- Preproduction mining activities at Williamson were completed in June. Total volumes remaining to be mined at Williamson and across the Wiluna Mining Centre will materially decrease over the next 12 months, which will lead to the decision to significantly reduce the size of the active open pit mining fleet during that period. Williamson will provide 1.2Mt of mill feed in FY2021. Stockpiles of higher-grade ore are increasing.
- Production from the underground operations were constrained in the March and June 2020 quarters due to equipment and manning issues. Resourcing has been bolstered and the equipment fleet fully replaced to ensure mining rates return to FY2020 Q1 and Q2 levels of ~10,000tpm of ore production.
- Total underground lateral development increased for the June 2020 quarter and was 224m compared with the March 2020 quarter of 55m.
- Crushing and milling circuits performed above nameplate capacity in the June 2020 quarter with 492kt of ore processed (March 2020 quarter: 407kt). Total tonnes processed for FY2020 was 1.7Mt (FY2019: 1.8Mt). Mill throughput will decrease over FY2021 as the Company sources harder transitional and fresh material from Williamson.
- In the month of June 2020 pre-stripping activities at Williamson were completed. The Williamson orebody is exposed and is currently being mined at very low strip ratios (<2.0 waste: ore).
- Mining at Williamson is expected to be completed during December 2020 and will provide feed to the mill for the next twelve months.
- Production guidance for FY2021 is approximately 62koz at an AISC of approximately A$1,950/oz and Cash Costs per Ounce of A$1,650/oz. Costs reduce during the year as open pit waste mining progressively declines.

From an operational point of view, FY2020 was expected to be difficult despite an encouraging start to the year in the first and second quarters. This main issue can be pinpointed to the slow rate of mining at the Williamson pit during the second and third quarters which did not allow us to access high grade ore at Williamson until late in the fourth quarter, as well as the poor operating performance of the Golden Age underground mine, mainly due to continued equipment failure.

Other factors that contributed to the lower than expected second half of FY2020 was once again poor weather from Cyclones Blake and Damian which affected the open pit operations in the March quarter, and the onset of COVID-19.

The slow mining rate at Williamson meant we had limited access to high grade ore from the mines during the last two quarters, which required the treatment of lower grade stockpiles which decreased ounces produced and increased our AISC. Pre-stripping resulted in a very high stripping ratio in the second half of the year compared with the first half which also affected AISC for the March and June quarters.

The issues at the Golden Age underground mine related to several equipment matters. These matters were primarily old equipment that needed replacing, shortages of mining machinery operators which directly reduced planned material movements and impacted negatively on production and a shortage of maintenance staff and replacement parts.

As mentioned, the Company has worked through the COVID-19 pandemic successfully and to date has had no cases of COVID-19. The COVID-19 Response Plan measures implemented created unavoidable disruptions to normal operations which affected gold production, primarily with site access, isolation and change in shift rotations.

As at the time of writing, the factors that affected operations have, in the main, been addressed. These include the Company now having access to the high grade ore and reducing the stripping ratio. During the year, the Company made a significant investment in preproduction mining activities at the Williamson, Matilda and Wiluna mining areas. The very high stripping ratio of 21:1 in the March quarter peaked at this level and our modelling shows that it will average 6:1 for the next 12 months. The Company commenced mining the higher-grade ore at Williamson in June and therefore expects strong production in the September and December quarters, and a more stable production profile for the next 12 months of its free milling operations, which will provide strong cash flows prior to the Stage 1 sulphide operations, and we are seeing this in August and September of 2020.

Machinery equipment availability and performance have been addressed with new equipment and operators are now in place which will provide a material uplift in mining rates from now on.

The ball mill motor was replaced in February along with the refurbishment of the rod mill which were both successfully commissioned by the end of February. The Stage 1 sulphide development which has commenced, with the increased focus on underground mining, will enable the Company to mitigate the disruption caused by seasonal weather going forward by allowing high grade stockpiles to build.

Wiluna Mining is 12 months into a 24 month transitional period concluding in October 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 is aiming to produce approximately 62kozpa from its existing free milling deposits. This production profile will provide valuable cashflow and production continuity prior to the transition into producing 120kozpa of gold concentrate (Stage 1 Sulphide Development Plan).

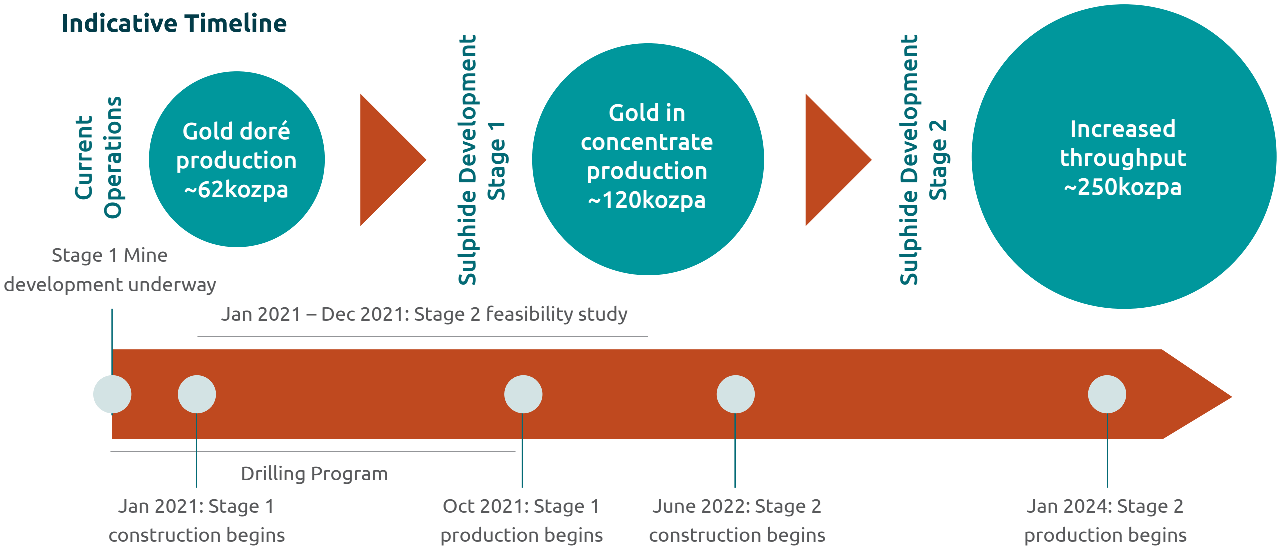
The refurbished rod mill is working very well, and this will be an integral part of treating the baseload production that is coming from Williamson. Construction work on the new tailings dam has been completed. During September 2020 the Company completed a crusher renovation which involved repairing the primary and tertiary crusher and replacing the secondary crusher.

Figure 1: Williamson Pit

Growth

The Company continued to advance its Stage 1 sulphide development plan throughout the year. The Company's Sulphide Development Strategy involves a staged upscaling of operations and the transition to mining the large sulphide resource at the Wiluna Mining Centre with treatment through a new flotation plant. Stage 1 is the first of at least two stages of development planned and is currently underway with the target of mining approximately 750,000tpa of underground ore producing approximately 120,000ozpa of gold doré and gold in concentrate commencing in October 2021.

Indicative Timeline



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

The Wiluna Mining Centre is divided into four geographical areas (Figure 2), centred on underground mine portals and planned mining areas of the Stage 1 Sulphides Development plan. Mining is planned to commence at the Wiluna North Mine area via the existing Bulletin Decline, and at the Wiluna Central Mine area via three existing declines, and then extend to the Wiluna South Mine area via three existing declines in Eats Pit. The Stage 1 plan focuses 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 continued to deliver consistent outstanding results in support of the Company's Stage 1 and 2 development plans.

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 4 years.

In addition to the above, the following Stage 1 milestones were reached during the year and subsequent to 30 June 2020.

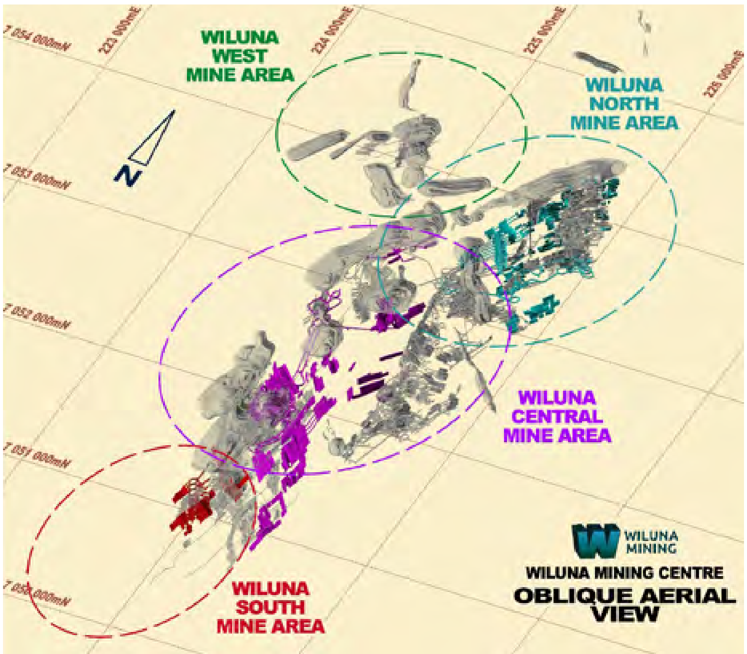


Figure 2: Map of the Wiluna Mining Centre. Stage 1 sulphide mining areas are shown coloured

Stage 1 Progress

The following activities have been progressed for Stage 1 to date.

Mine development

Underground operations continue to provide valuable high grade, free milling feed from the Golden Age orebody to the process plant, whilst rehabilitation of existing development and new development commence to open stoping blocks for initial sulphide mining areas.

Murray Engineering have been contracted to supply and maintain mine fleet for current production associated development and stoping, whilst Byrnecut Contractors have been engaged to provide equipment and personnel for existing development rehabilitation and new development for resource-reserve drill out programmes and production from new mine areas.

To compliment the current equipment and development work, the first development crew from Byrnecut is expected to be mobilised in the December quarter, with further development crews to be mobilised during June 2021 to maintain the required work programme.

Board approves construction of the concentrator

Since our last quarterly report several significant milestones have been achieved. At our most recent Board meeting, the Directors of Wiluna Mining approved the concentrator construction works. This includes the Company entering an EPC contract with GR Engineering Services Limited ("GRES").

Pit and Mine dewatering

Dewatering of open pit voids and underground workings at Wiluna has made considerable progress with the Happy Jack South decline access and the new Essex decline portal position reached. Rehabilitation and dewatering of the Happy Jack South workings will commence in the December quarter.

Dewatering of the large East Pit is expected to reach the first of three existing decline portals in the December 2020 quarter allowing progressive dewatering of the southern mining development on East and West lodes.

Underground dewatering of the Bulletin, Woodley and Burgundy-Calais areas has progressed ahead of planned resource drilling locations for the 2020 drilling plan.

Crusher and mill refurbishment

The first stage in the sulphide development plan will utilise the existing crushing and grinding circuits to provide feed to the new flotation circuit. Considerable work has been completed to prepare the crushing circuit for processing of a 100% underground fresh ore feed. This includes the replacement of the secondary cone crusher with a near identical crusher to the current tertiary crusher. The rod mill was refurbished and brought online in January 2020 (see ASX announcement 12 February 2020) to provide additional grinding capacity. These changes to the comminution circuit have recently been tested on fresh ore feed to confirm their performance on harder ore at the desired plant throughput rate.

Dewatering at East Pit

Expanded Wiluna Camp

Figure 3: Photos of various infrastructure updates

New Tailings Dam

Tailings dam construction

The new tailings storage facility, TSF K, stage 1 construction has been completed and the facility has been commissioned. Design of stage 2 of TSF K has been completed and the permitting process has commenced.

Upgrading the Wiluna Camp village

A total of 60 additional rooms have been installed and commissioned in the Wiluna Mine Village in addition to refurbishment of approximately 20 existing rooms in readiness for the construction of the new concentrator and ramp up in underground activities.

Approvals

All Approvals required to maintain the Stage 1 development schedule are in place.

Offtake Agreements

The Company has secured offtake agreements on competitive terms for 100% of its expected gold in concentrate for the first three years of operation with reputable international companies. Up to 70% of concentrate will be sold to LSX listed Polymetal Group and 30% to International trading group Trafigura (see ASX announcements 31 March 2020 for the Polymetal Group and 2 March 2020 for Trafigura). The offtake arrangements include;

- Wiluna Mining to produce a 50-80 g/t concentrate;
- Gold payables including treatment costs and transport is approximately 80% of the gold spot price; and,
- The Company can still hedge their gold production via a cash settlement arranging, in lieu of delivering fine gold ounces.

Drilling and Resource Development

Drilling and resource development has progressed significantly with the completion of 48,800 metres of additional drilling up to 30 June 2020 and the release of an updated Mineral Resource Statement (see ASX announcement on 30 September 2020). The focus on the drilling has been to increase the level of confidence in the Mineral Resource at the Wiluna Mining Centre towards updating the Reserves and increasing the strength of the mining plan. The global Mineral Resource ranges from 143Mt @ 1.6 g/t for 7.3 Moz to 71 Mt @ 2.2 g/t for 5.0Moz 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 53.0Mt @ 3.0 g/t for 5.1 Moz.

For the sulphide development plan the relevant Mineral Resource number using a 2.5 g/t cut-off is 23.9Mt @ 4.89 g/t for 3.76Moz at the Wiluna Mining Centre. Mineral Resource updates will continue to follow as drilling of the large Wiluna gold system continues. A further Mineral Resource update and interim Reserves statement supporting the sulphide development and its funding will be released early in the new year. The Company continues its aggressive drilling programme with FY2021 drilling expenditure expected to be approximately A$30 million.

Additionally, the true scale and potential of the Wiluna Mining Centre is yet to be understood. What we know is that the system extends over at least 3.5km of strike with deepest workings to 1,000m and deepest drilling to only 1,200m. 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 has yet to be fully tested.

A significant Mineral Resource development drilling programme 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 drill plan to fully define the very large mineralised system to, inform long term optimisation studies and define the ultimate scale of the operation.

Figure 4: Underground drilling in progress

Reserve and Mine Planning

Updating mine designs and development schedules based on the new Mineral Resource models has commenced and will culminate in the release of an Ore Reserve update and mine plan in January 2021. The 2020 drilling programme from June to September, which was not included in the September Mineral Resource update, will be incorporated into the planned January 2021 Resource and Reserve update.

Detailed mine design and scheduling of the Wiluna Mining Centre in support of the first stage sulphide plant construction has been completed based on the updated ore resource model and will be finalised before the end of the year. Development will focus initially in the first 600 vertical metres in the Bulletin, Happy Jack, and Essex areas. These areas are dewatered and close to existing development leading to low cost, low risk and rapid ramp up in 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 programme confirms and converts Inferred Mineral Resource to Indicated Mineral Resource category.

Feasibility Studies

With the success of the 2020 resource drilling programme and resulting Mineral Resource announcement (see ASX announcement 30 September 2020) the Company is confident that sufficient Reserves will be delineated in the planned January 2021 Mineral Resource and Reserve update to support and conclude the Sulphide Feasibility Study in 2021. Various supporting studies have commenced including;

- Comminution options assessment;
- Scoping level plant design and cost;
- Stoping methods option studies to determine preferred methods for the range of mineralisation widths and orientations across the 3.5km strike length of the system;
- Paste fill plant design and reticulation options;
- Metallurgical optimisation for expanded plant design; and,
- Surface hydrology design for Phase 2 layout.

The Stage 2 Sulphide Development Feasibility Study will be completed in the last quarter of 2021 with the scale of the expansion based on the Mineral Resource models to be announced in January 2021.

Long Term Planning and Life of Mine Infrastructure

The staged sulphide development plan is an important steppingstone to embark on the re-development of Wiluna and to provide the Company with a long term stable cash flow. It is not expected, however, to be the end of the development story. Given the expected long mine life and scalability of the underground development and potential for future concurrent underground and open pit mining feeding parallel sulphide and free milling processing routes, the long term, life of mine development requires early planning to maximise value and minimise lost opportunities.

The Company has identified a number of value adding opportunities to access in parallel to the development of the sulphide processing plant.

The option studies have the potential to add long term value to the business, and enhanced environmental responsibility. Some key studies include;

- Renewable power generation replacing or augmenting gas power as site power demands increase;
- Tailings reprocessing and disposal underground to reduce both existing and future tailings footprints;
- Bulk mining options (surface and/or underground) to reduce operating costs and cut-off grades;
- Power efficiency studies to reduce total site power demand; and,
- Concurrent sulphide, free milling and tailings re-treatment to increase gold production and cash flow and reduce fixed costs on a unit cost basis (reduce cut-off grade).

Table 3: Timetable for Stage 1 concentrator construction

Item	Date
Award of Design and Construction Contract	2 December 2020
Unconstrained project commencement	2 December 2020
Long lead equipment (Concentrate Filter and Flotation Cells) orders placed	13 December 2020
Site access available and establishment of Site facilities	6 January 2021
Commencement of concrete installations	4 March 2021
Commencement of structural, mechanical, piping, and electrical installation	29 April 2021
Commencement of dry commissioning	2 September 2021
Practical completion and commencement of ore commissioning	20 October 2021

Table 4: Estimate Costs (these costs were released 26 Feb 2020 and have been updated where stated)

Item	
Concentrator – updated since 26 February 2020 announcement	$26 million
Pre-production Underground Mine activities/infrastructure development	$37 million
Drilling	$9 million
Feasibility	$2 million
Contingency (10%) – updated since 26 February 2020 announcement	$7 million
Total Cost	**$81 million**
Less expenditure to date	$12 million
Total Costs Going Forward	**$69 million**

Current funding sources from projected cash inflows	
Cash and Bullion as at 30 September 2020	$13 million
Operating cashflow from transitional operations before investing activities (Oct20 to Sep21)	$48 million
Mercuria Tranche 2[1]	$40 million
Total current funding sources	**$101 million**

Note 1: Tranche 2 drawdown of A$40 million from Mercuria is subject to their credit approval of an updated financial model. This amount of A$40 million excludes any associated drawdown costs, as well as Tranche 1 & 2 principal and interest repayments (of which Tranche 1 repayments are A$19m between October 2020 and July 2021).

Note 2: Updated reserves, mine plan and financials will be released in January 2021 on completion of the current reserves in the December quarter. These costs do not include corporate overhead and resource/ reserve definition drilling for Stage 2 sulphide development plan.

Discovery

The Wiluna Mining Centre is a very large gold system with 11Moz endowment (combined current resources and production). The Company released a new Mineral Resource update in late September and has commenced mine planning work for a Reserves update in January 2021. With a Mineral Resource of 53.0Mt @ 3.00 g/t for 5.10Moz at a 1.0g/t cut-off, including 58% still in the Inferred category, there are significant opportunities for additional Mineral Resources and the life-of-mine extensions through additional infill drilling.

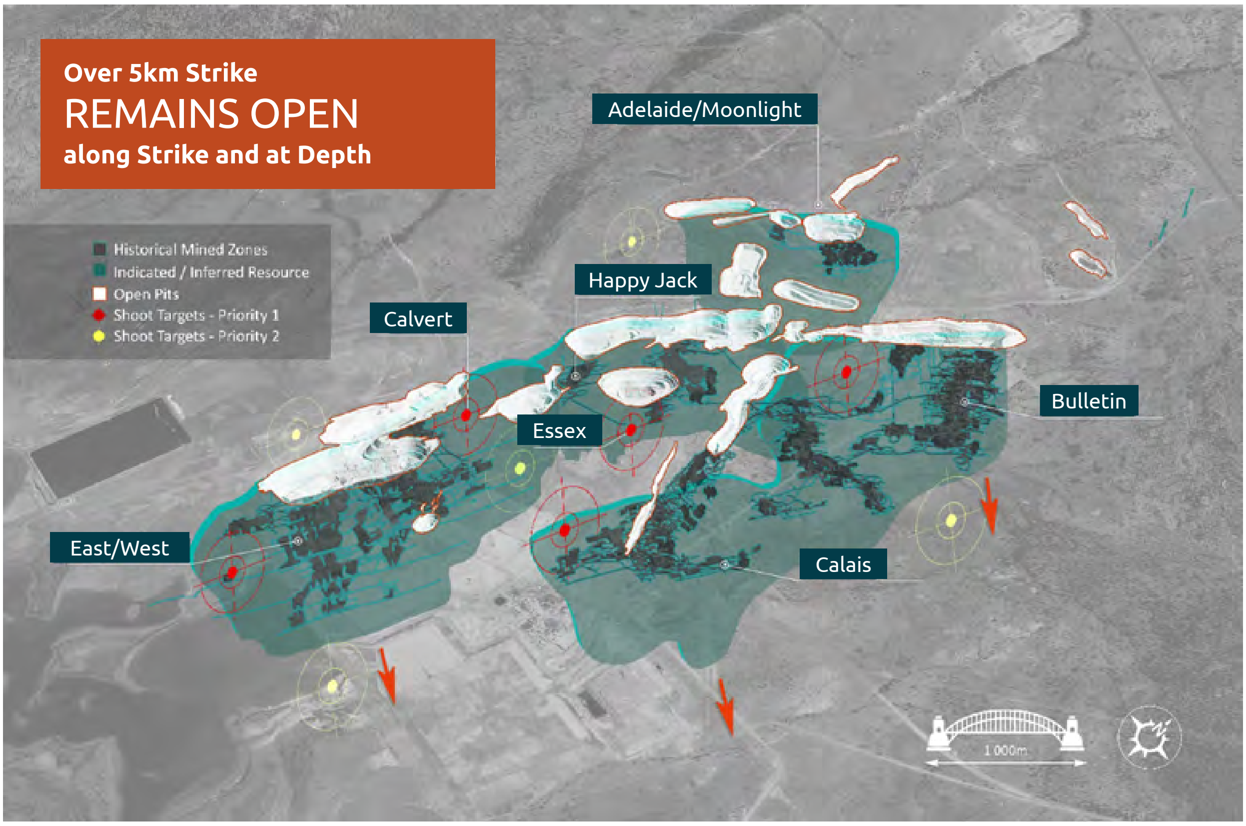


Figure 5: Wiluna Mining Centre showing scale of the operation and drilling target locations

During the March and June 2020 quarters in particular, the drill bit continued to deliver at Wiluna supporting the Company's sulphide development strategy. The Company completed 45,100 metres of drilling in 2020 at the Wiluna Mining Centre. This drilling aligns with the Company's Stage 1 sulphide development plan, with the primary focus on sulphide ore bodies in support of the proposed mine development sequence to;

1. Significantly increase the confidence in sulphide resources from Inferred to Indicated category, which will underpin Stage 1 Reserves;
2. Add Reserve ounces in high grade, shallow zones, close to existing mine development that can be rapidly brought into production at low cost; and,
3. Find new, high grade shoots that will enhance the 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.

Outstanding results were achieved, confirming that the Company's confidence in the geological scale and potential for high grade discoveries at shallow depths and close to existing development at Wiluna;

- Drill results at Wiluna Central (Essex) and Wiluna North (Bulletin) intersecting shallow sulphide mineralisation (refer ASX announcements 23 June 2020 and 26 May 2020); and,
- Sulphide resource drilling at Wiluna South (East Lode), Wiluna North (Lennon) and Wiluna Central (Calvert) (refer ASX announcements 22 September 2020, 2 September 2020 and 27 July 2020).

The Essex and Bulletin underground mining zones are located close to surface and close to existing infrastructure, which allows for rapid and low-cost development. Exceptional results released from Essex in the June 2020 quarter have confirmed a new high grade lode discovery and further extensions to the south. These latest results are expected to further improve the grade and geological confidence of current Mineral Resources and Reserves at Essex.

ESSEX

WURC0846:
6.00m @ 53.73g/t from 109m, incl. 1m @ 283g/t

WURC0848:
4.00m @ 12.08g/t from 107m, incl. 2m @ 21.30g/t

WURC0850:
2.00m @ 10.92g/t from 133m & 2m @ 5.43g/t from 139m

WURC0851:
4.00m @ 9.73g/t from 128m

WURC0853:
8.00m @ 11.80g/t from 144m, incl. 4m @ 22.10g/t

WURC0856:
8.00m @ 5.31g/t from 168m, incl. 2m @ 18.12g/t

8.00m @ 15.20g/t from 248m, incl. 5m @ 23.00g/t

5.00m @ 3.95g/t from 287m, incl. 3m @ 6.26g/t

WURC0861:
4.00m @ 24.46g/t from 159m, incl. 1m @ 94.5g/t

6.00m @ 16.78g/t from 174m

5.00m @ 3.13g/t from 199m, incl. 2m @ 21.30g/t

11.00m @ 10.51g/t from 220m

WURC0862:
14.00m @ 9.52g/t from 162m, incl. 1 m @ 10.50g/t

4.00m @ 6.75g/t from 230m, incl. 2m@11.41g/t

WURC0864:
3.00m @ 8.49g/t from 226m

5.00m @ 4.06g/t from 246m

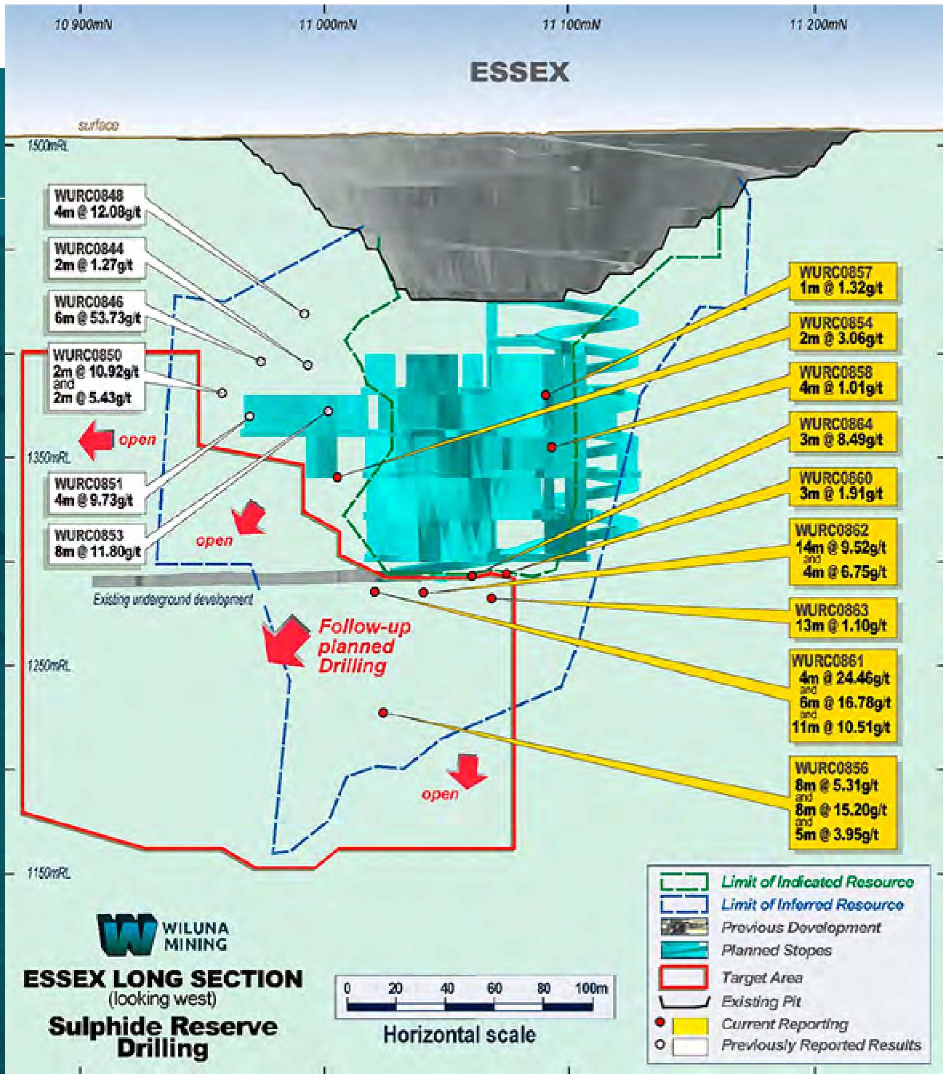


Figure 6: Essex high grade results infilling current Inferred and Indicated Resource areas

Previous operators installed underground development to the base of the 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.

Drilling designed to infill the Inferred Resource at Bulletin North returned outstanding results within 50m of the existing decline and previously stoped areas. These latest results are expected to improve the grade and geological confidence of current Mineral Resources at Bulletin.

BULLETIN

BULP0014:
7.40m @ 15.82g/t from 40.56m

BULP0015:
4.10m @ 4.88g/t from 44.15m

BULP0025:
14.45m @ 17.16g/t from 18.95 incl. 7.45m @ 31.22g/t

BULP0026:
12.40m @ 7.93g/t from 31.4m

WURC0835:
12.00m @ 7.01g/t from 184m incl. 4m @ 16.59g/t

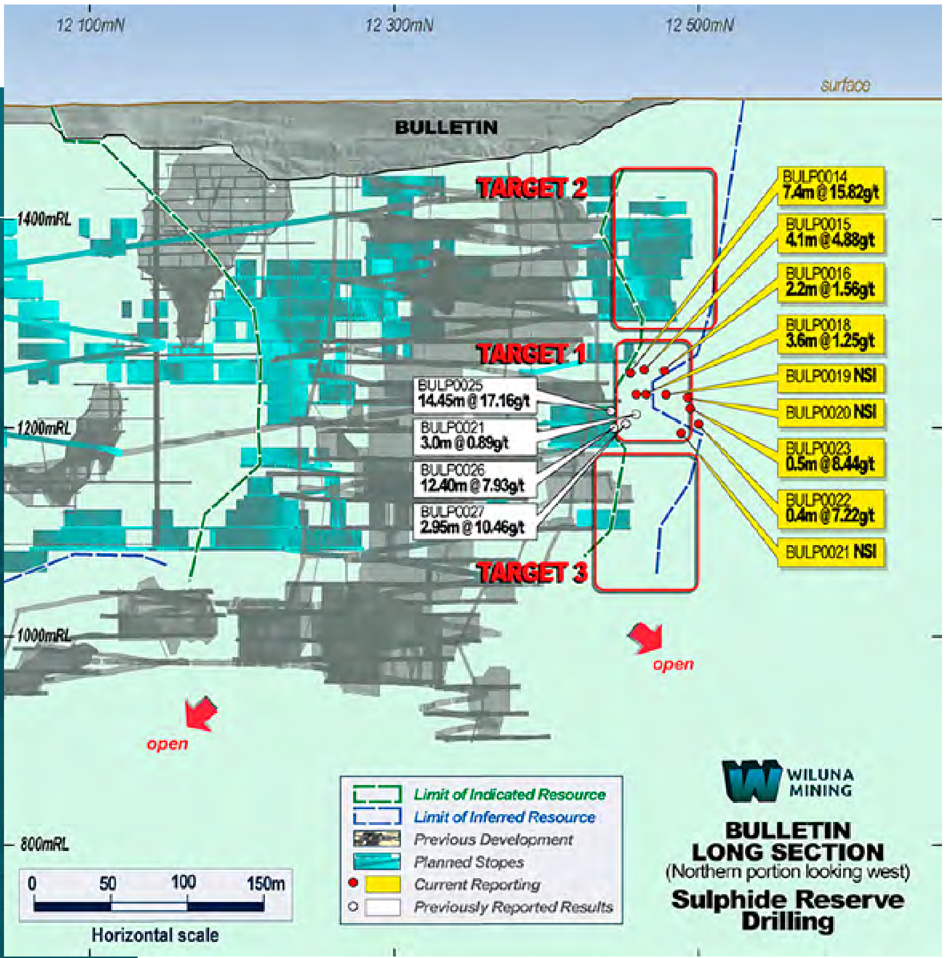


Figure 7: Sulphides resource development results from Bulletin and Inferred Resource infill targets

Subsequently, the focus of drilling shifted to the Calvert and East Lode zones in the Wiluna Mine Central and Wiluna Mine South areas.

EAST LODE

Highlights from East Lode:

WURC0872:
6.00m @ 8.66g/t from 298m

WURC0877:
8.00m @ 8.35g/t from 102m

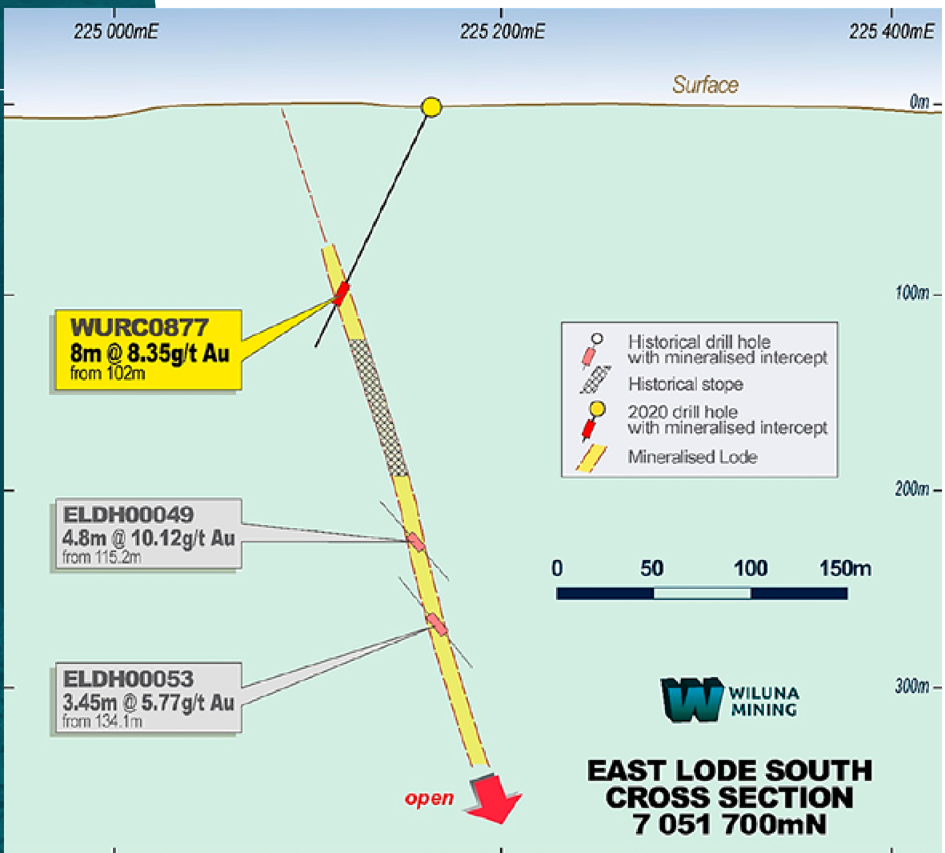


Figure 8: East Lode South cross section with shallow sulphide intersection and high grade zones in situ in historical drilling and open at depth

At Calvert, high grade zones occur within a broad halo of mineralisation that may be amenable to either narrow-lode long-hole stoping or bulk mining (e.g. WURD0060: **76.5m @ 1.77g/t**), with scenarios to be explored in upcoming mine planning work.

CALVERT

Highlights from sulphide resource drilling at Calvert:

WURD0059:
1.92m @ 10.05g/t from 358.08m

WURD0060:
Within 76.5m @ 1.77g/t envelope from 380.5m:

1.65m @ 7.35g/t from 431.25m

2.47m @ 12.78g/t from 448.53m

WURD0061:
8.00m @ 5.11g/t

WURD0079:
3.85m @ 9.30g/t from 408.35m

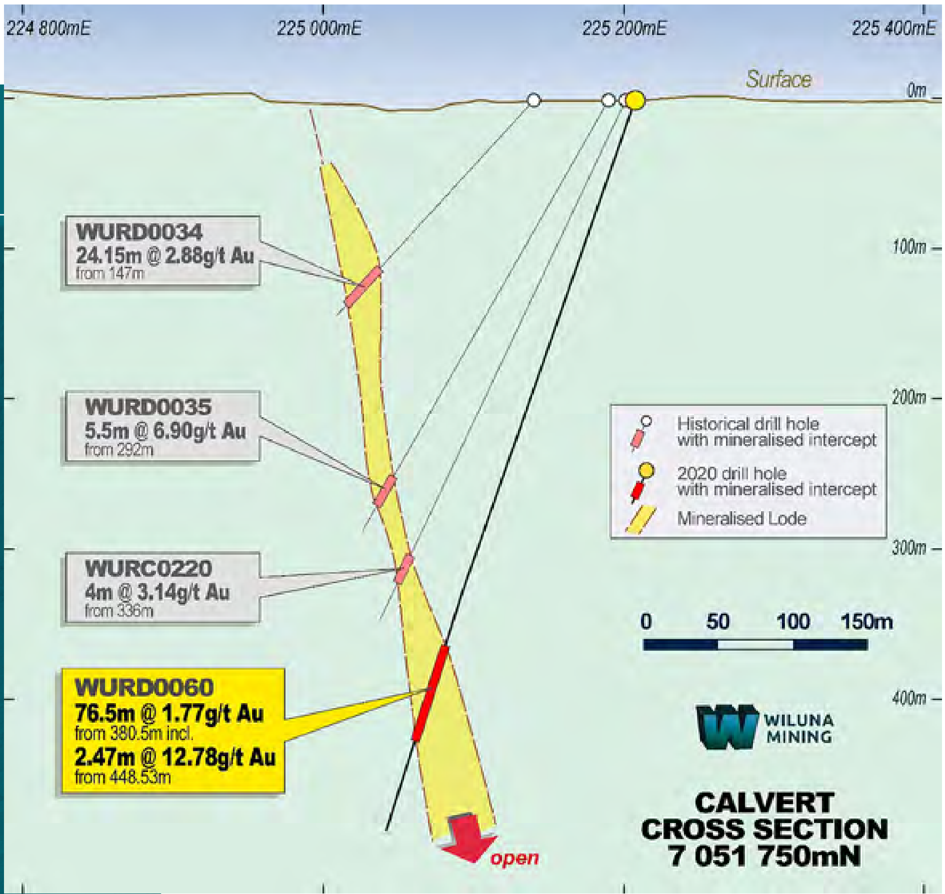
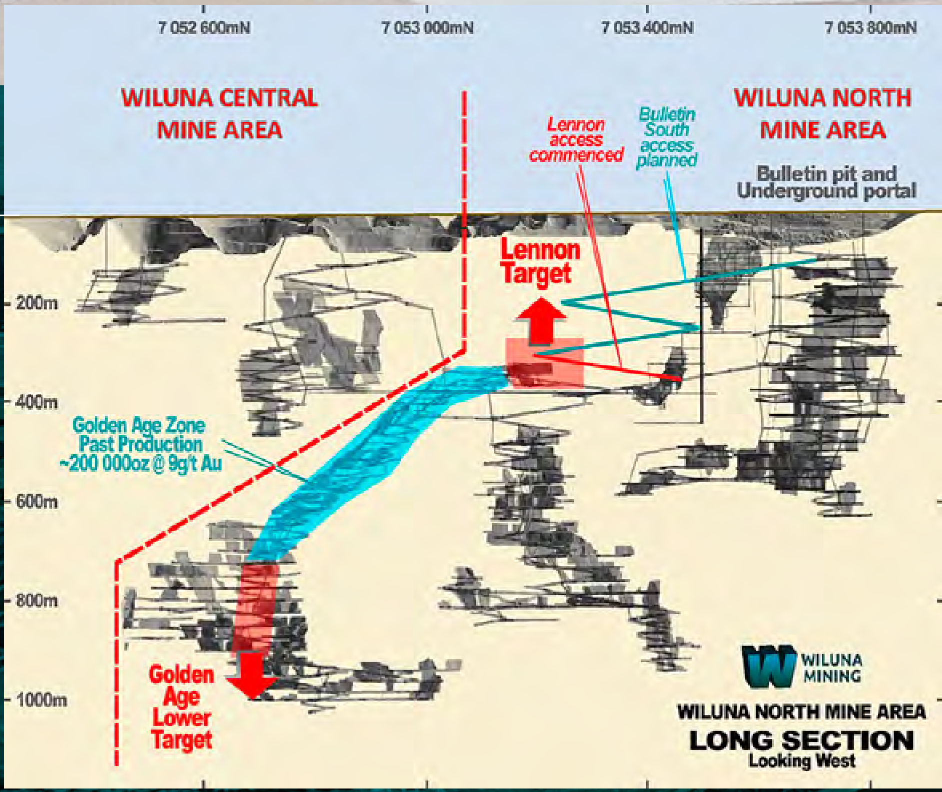


Figure 9: Calvert cross section showing high grade zone within very wide lower-grade zone that may be amenable to bulk underground mining

The Company reported further high grade results from resource extension drilling at the Golden Age and Lennon zones (refer ASX Announcements 2 September 2020, 27 July 2020, 8 July 2020 and 4 April 2020). Golden Age is a quartz reef style of deposit with coarse gold, whereas Lennon sits in the immediate footwall to Golden Age and comprises multiple high grade sulphide shears, processing through the existing free milling circuit and through the planned sulphide flotation circuit as part of the Stage 1 development plan.

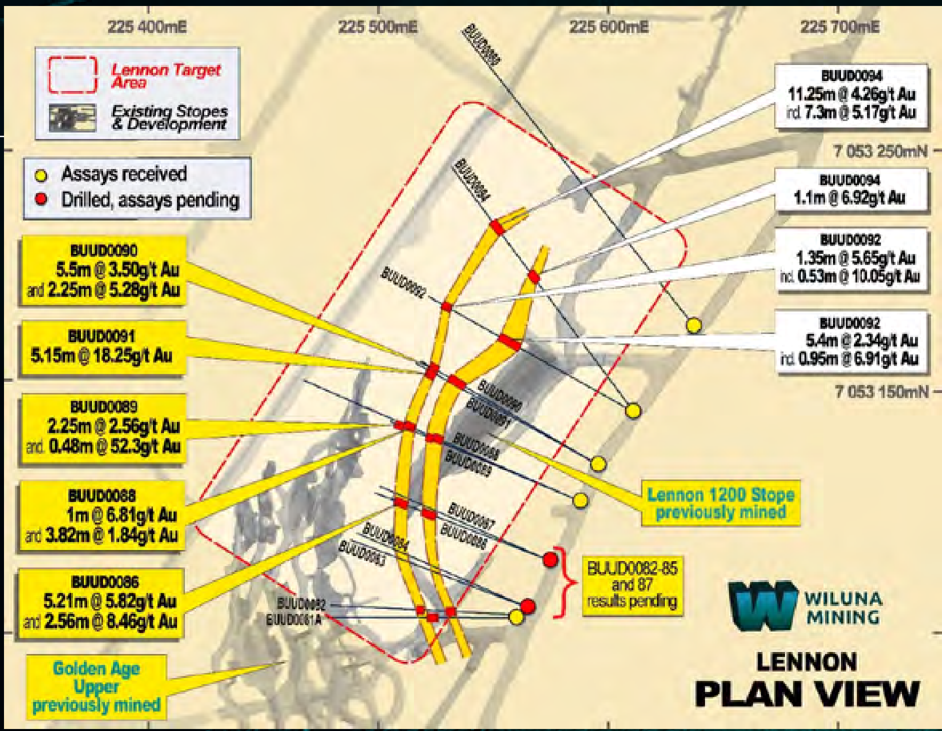


GOLDEN AGE

GARD0130:
5.96m @ 112.98g/t
GARD0102:
1.80m @ 8.92g/t
GARD0104:
2.50m @ 10.53g/t &
2.40m @ 12.67g/t
GARD0106:
2.12m @ 8.55g/t
GARD0112:
7.1m @ 7.47g/t,
incl. 2.7m @ 17.32g/t

Figure 10: Golden Age and Lennon resource development targets in the Wiluna North Mine Area

Current underground production at Golden Age and Lennon is planned to supplement baseload free milling feed and is an important source of cash flow ahead of Stage 1 sulphide production. Resource extension drilling at Golden Age Lower, 100-200m below the current mine workings, returned high grade intercepts and demonstrate the ore body remains open at depth.



LENNON

Significant results from shallow sulphide resource drilling at Lennon (Figure 8) include:

BUUD0086:
5.21m @ 5.82g/t and
2.56m @ 8.46g/t
BUUD0090:
2.25m @ 5.28g/t
BUUD0091:
5.15m @ 18.25g/t
BUUD0094:
11.25m @ 4.26g/t

Figure 11: Lennon plan view with significant intercepts in multiple parallel gold structures

Free Milling Resource and Reserve Development

After the year end, results were reported for resource infill and extension drilling completed at Regent (2,245m RC) and Williamson (1,520m DD). Regent is an advanced resource conversion target located 8km from the Wiluna Plant and under the new Mineral Reserve estimate is included in the Wiluna Mining Centre. Regent is geologically akin to Wiluna-style deposits, with free milling oxide and transitional minerlisation overlying fresh sulphides at depth. Results from Regent demonstrate strong widths and grades, and further drilling is planned as the mineralisation remains open along strike and at depth.

REGENT

RGRC0003:
10m @ 1.51g/t from 63m

RGRC0005:
11m @ 3.24g/t from 140m
incl. 2m @ 5.95g/t

RGRC0008:
16m @ 1.51g/t from 145m

RGRC0009:
8m @ 3.93g/t from 157m
incl. 3m @ 7.04g/t

RGRC0014:
10m @ 2.11g/t from 80m
incl. 1m @ 7.18g/t

RGRC0016:
11m @ 2.07g/t from 105m
incl. 2m @ 5.27g/t

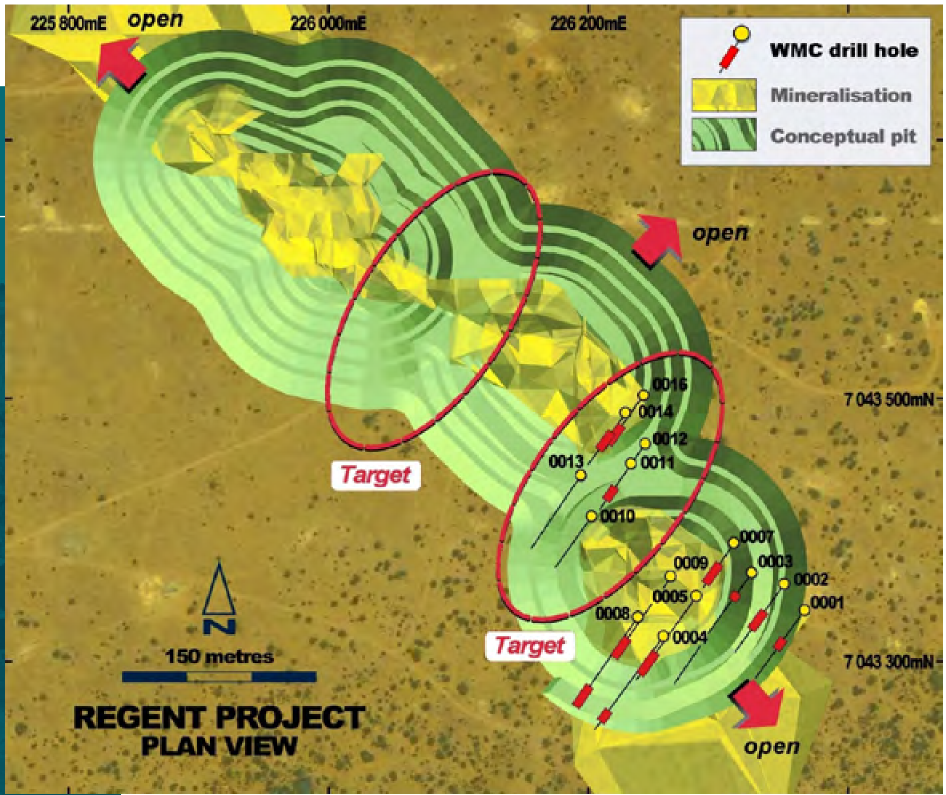


Figure 12: Regent plan view showing targets for infill drilling and hole locations

Wiluna Mining geologist reviewing core samples

Final assay results were also reported for infill drilling completed at Williamson, located at the Lake Way Mining Centre. A pit cutback is currently in progress on the southern part of the Williamson Mineral Resource, which provides the baseload free milling feed during the transition to sulphide production from October 2021. The programme was designed to infill the Inferred Mineral Resource within a potential northern pit cutback, with results leading to conversion of the Mineral Resource to Indicated category (Table 5).

WILLIAMSON

WMDD0017:
3.40m @ 5.79g/t from 96.60m

WMDD0018:
22.10m @ 2.86g/t from 133m, incl. 2.85m @ 14.65g/t

WMDD0021:
16.10m @ 0.90g/t from 159.00m, incl. 0.8m @ 8.96g/t

WMDD0022:
10.65m @ 1.81g/t from 177.35m, incl. 0.35m @ 12.40g/t and 0.70m @ 8.21g/t

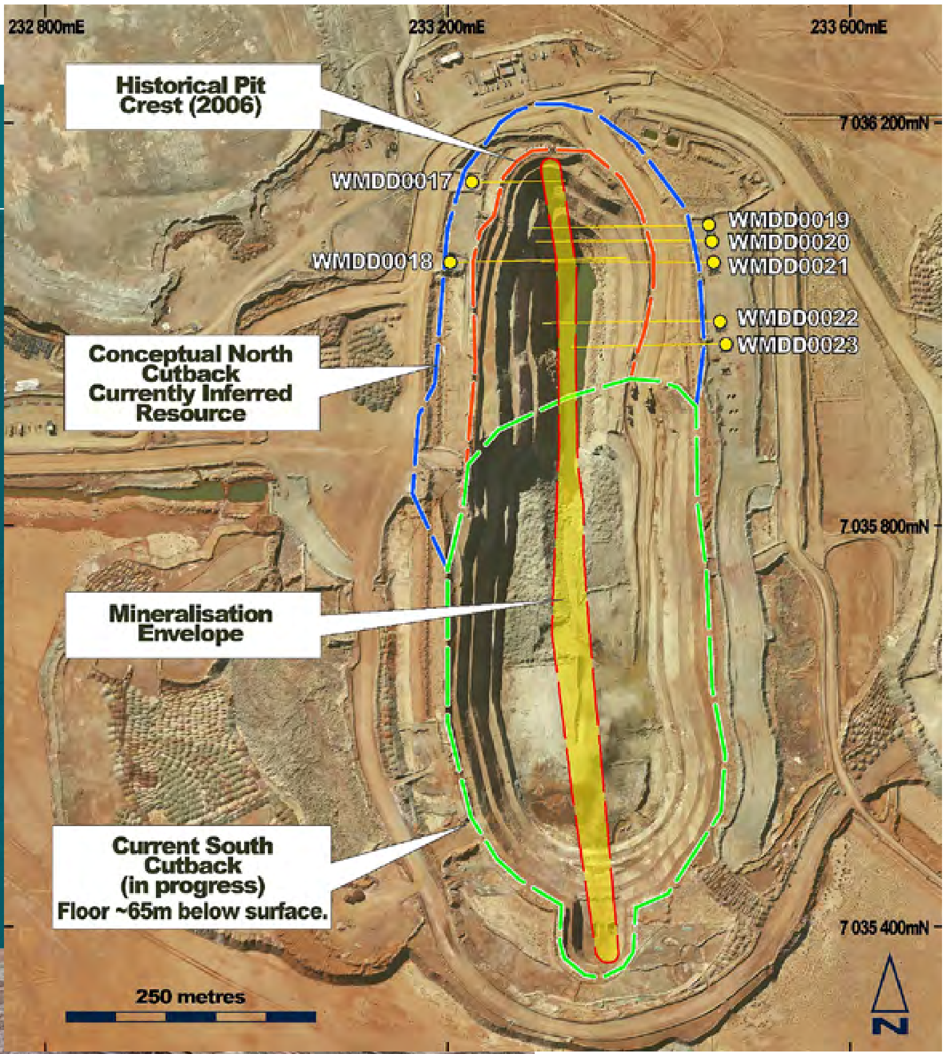


Figure 13: Williamson plan view showing recent drill hole locations, infilling the Inferred resource within the conceptual northern pit cutback.

After year end, the Company released its updated September 2020 Mineral Resource Summary (Table 5 below) and plans to release an update Mineral Resources and Reserve Statement in January 2021.

Table 5: 2020 Mineral Resource Summary

	Total Mineral Resources											
	Measured			Indicated			Inferred			Total 100%		
Mining Centre	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	-	-	-	18.31	3.61	2,125	34.67	2.67	2,979	**52.98**	**3.00**	**5,104**
Matilda	-	-	-	3.51	1.51	170	1.41	2.43	110	**4.93**	**1.77**	**281**
Lake Way	1.93	1.28	80	0.94	1.61	48	3.53	1.19	135	**6.40**	**1.28**	**263**
Galaxy	-	-	-	0.13	3.08	12	0.16	2.98	15	**0.28**	**3.02**	**28**
Sub Total	**1.93**	**1.28**	**80**	**22.89**	**3.20**	**2,356**	**39.77**	**2.53**	**3,240**	**64.59**	**2.73**	**5,676**
Tailings and Stockpiles												
Tailings	-	-	-	33.16	0.57	611	-	-	-	**33.16**	**0.57**	**611**
Stockpiles	0.51	0.9	15	2.16	0.51	35				**2.67**	**0.58**	**50**
Sub Total	**0.51**	**0.89**	**15**	**35.32**	**0.57**	**646**	**-**	**-**	**-**	**35.83**	**0.57**	**661**
Global Total	**2.44**	**1.20**	**94**	**58.20**	**1.60**	**3,002**	**39.77**	**2.53**	**3,240**	**100.42**	**1.96**	**6,337**

Reporting Cut-Off	Total Mineral Resources (Wiluna Deposits Only)											
	Measured			Indicated			Inferred			Total 100%		
g/t Au	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	-	-	-	32.41	2.33	2,428	63.19	1.79	3,631	**95.59**	**1.97**	**6,058**
1.0	**-**	**-**	**-**	**18.31**	**3.61**	**2,125**	**34.67**	**2.67**	**2,979**	**52.98**	**3.00**	**5,104**
2.5	-	-	-	10.23	5.25	1,727	13.69	4.62	2,033	**23.93**	**4.89**	**3,760**

Corporate And Environmental, Sustainability and Governance (ESG)

Position and Performance

As at 30 June 2020, the Company had A$11.4 million in cash and bullion (cash of A$8.9 million, bank guarantees of A$0.6 million and bullion of A$1.9 million) (30 June 2019 – A$4.2 million).

Net cash at 30 June 2020 was A$11.1 million (2019: Net debt A$11.8 million). Debt as at 30 June 2020 related to finance leases of A$0.3 million (2019: Debt A$16 million).

The profit after tax for FY2020 was A$14 million (2019: Loss of A$73 million). The FY2020 result included Other Income of A$24 million, 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 (see ASX announcement dated 8 October 2020). Gold sold during the year was 62,788oz @ A$2,131/oz.

Capital Management

In September 2019, the Company announced a A$7 million Capital raising via a A$4 million placement and a A$3 million Share Purchase Plan at a price of $0.01 (pre-consolidation) per share. Additionally, the Company completed a Placement of A$26 million in two tranches, and a fully underwritten Entitlement Issue of A$26.1 million at a price of $0.01 (pre-consolidation) per share. The A$52 million equity issue was closed in April 2020.

Subsequently, in June 2020, the Company completed a share consolidation of 100 to 1, reducing shares on issue from 10,028,258,811 to 100,283,702. Quoted and unquoted options were also consolidated accordingly.

Table 6: FY2020 Quarterly Cashflows

	Sep'19 A$00)	Dec'19 A$000	Mar'20 A$000	Jun'20 A$000	FY20 Full Year
Operating cash flow before capital expenditure and pre-production mining	**10,741**	**20,563**	**7,781**	**5,823**	**44,908**
Sustaining capital expenditure	(597)	(5,199)	(448)	(3,108)	(9,351)
Site operating cash flow, net of sustaining capital expenditure	**10,144**	**15,364**	**7,334**	**2,715**	**35,557**
Non-sustaining capital expenditure	(86)	(1,795)	(9,725)	(3,280)	(14,886)
Pre-production mining	(220)	(7,258)	(9,312)	(11,157)	(27,947)
Site operating cash flow, net of all capital expenditure and pre-production mining	**9,838**	**6,311**	**(11,703)**	**(11,722)**	**(7,276)**
Net corp/admin costs	(1,220)	(1,164)	(1,075)	(1,310)	(4,769)
Development expenditure (studies, resource development and other projects)	(1,265)	(1,172)	(1,795)	(5,886)	(10,118)
Treasury activities (hedging, offtake discount & working capital movements)	(7,940)	(13,132)	4,567	(7,185)	(23,690)
Proceeds from equity issued	3,820	2,889	10,750	38,231	55,690
Debt service (principal & interest)	(4,853)	(3,272)	(3,091)	(4,108)	(15,323)
Net proceeds from sale of noncore assets	2,925	8,100	-	-	11,025
Debt drawdowns	1,625	-	-	-	1,625
Net Cash Flows	**2,930**	**(1,439)**	**(2,347)**	**8,020**	**7,163**
Opening Cash and Bullion	**4,198**	**7,127**	**5,689**	**3,341**	**4,198**
Closing Cash and Bullion	**7,127**	**5,689**	**3,341**	**11,361**	**11,361**

Debt Management

In order to simplify its capital structure, Wiluna finalised the process to repay and discharge its secured Convertible Security Funding Agreement with an entity managed by The Lind Partners ("Lind"). Additionally, the Company entered into a new A$19 million working capital facility with MACA Limited ("MACA"). On 22 April 2020, the Group fully extinguished all loan amounts outstanding with MACA Mining Limited. Consequently, MACA released its security over the Group's assets.

On 14 August 2020, Wiluna Mining announced that all documentation concerning the gold prepaid swap financing facility and gold hedging facility provided by Mercuria Energy Trading Pte Ltd had been completed. The Company has executed the prepaid swap and the hedging transactions. The A$21 million prepaid swap proceeds ("Tranche 1") will be repaid in full by delivering 699oz of gold per month over 12 months, totalling 8,388oz. The facility gives Wiluna Mining the flexibility of drawing a further A$40 million ("Tranche 2"), subject to Mercuria credit approval, to further advance the Stage 1 Expansion.

Wiluna Mining's favourable, ongoing hedging facility with Mercuria will see 34,000oz sold at an average price of A$2,674/oz, which is net of transaction costs, maturing over the next 12 months. This hedge facility is welcomed in a time of important cash flow management and high gold prices, as well as developing a longer-term relationship with Mercuria.

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 2.0.

Safety Measures

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.

Wiluna Mining Rescue Crew team members during a training exercise

Community involvement – Wiluna Mining sponsoring the Murlpirrmarra Community football weekend

Left: Wiluna Mining 2020 Martu Eagles Football Team

Goal to Become a Tier 1 Producer

Wiluna Mining is first and foremost a development and growth Company focused on the Staged development of the Company's large underground sulphide system which we plan to bring online in Stage 1 by September 2021. The Company emphasize that the current free milling operation through to next September exists purely to provide operating cashflow to assist in funding the staged development of the sulphide operation. Wiluna Mining's goal is to become a Tier 1 gold producer in a Tier 1 jurisdiction[1].

[1] Tier 1 gold producer/mine is defined as a single mine with production of 300kozpa, gold reserves of greater than 3Moz's and a life of mine of greater than 10 years. Tier 1 gold jurisdiction is considered Australia, Canada and the United States.

New Appointments

On 22 May 2020, the Company announced the appointment of Ms Sara Kelly as a Non-Executive Director. In addition, on 9 June, Executive Chair Mr Milan Jerkovic extended his contract for a further three years. Both these appointments greatly enhance the leadership and stability of the Company. Wiluna Mining is delighted to welcome Ms Kelly to the Board and to have a leader of Mr Jerkovic's standing overseeing the day to day management of the Company at such a crucial time in its history and development.

ESG Team Formalised

Furthermore, the Company formalised its Environmental, Social and Governance (ESG) team and platform which will be driven by the Company's latest appointment to the Board of Directors, Sara Kelly. Ms Kelly will work with several Senior Management as well as an external consultant who is highly experienced in ESG matters and is assisting the Wiluna Mining ESG team. The Company will continue to develop its ESG policies and platform as this is an extremely important part of its operating and ongoing business.

Successful Rebrand

Additionally, in June the Company successfully rebranded as Wiluna Mining, as well as completing a 1 for 100 share consolidation.

WILUNA MINING

Top: Wiluna Mining were proud to support the RFDS in the Goldfields with a $10,000 donation

Centre: Wiluna Mining Indigenous Liaison Officer Trish Botha with Wiluna Community members

Left: Community members and a very big truck!

FINANCIAL REPORT

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 2020.

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:	1,110,420
Interest in options:	259,241

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
Committee memberships:	Audit & Risk, Remuneration & Nomination
Other listed board memberships:	Carbine Resources Limited, Apollo Consolidated Limited Galena Mining Limited
Previous listed board memberships:	Nil for the last three years
Interest in shares:	None
Interest in options:	None

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, and extensive executive experience in managing finance and administrative matters for listed companies. He held the positions of Chief Financial Officer and Company Secretary for ASX 200 company, Resolute Mining Limited, for more than 15 years until his resignation in 2017.

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:	None
Interest in options:	None

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:	Nil
Previous listed board memberships:	Ragnar Metals Limited Homestay Care Limited
Interest in shares:	None
Interest in options:	None

Neil Meadows

B.App.Sc (Metallurgy), M.App.Sc (Metallurgy), GDip (Bus Admin), MAusIMM, Dip AICD

Executive Director – Operations

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 (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:	None
Interest in options:	159,231

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.

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

Production

Gold production during the year was 61,885oz. In FY2020 the Company generated positive cash flows from operations and over the same period significant concurrent investment was made into site-based capital infrastructure (primarily the new tailings storage facility, TSF K) and preproduction mining activities (primarily at Williamson). These major investing activities will sustain and create substantial value over the next 12-15 months as the Company transitions to the production of gold in concentrate.

The Company's performance in the first half of FY2020 was strong with gold production of 37,568oz @ an AISC of A$1,524/oz. The mined and processed grade for the first half of FY2020 of 1.9g/t reflected better than expected performance in the transitional and fresh material towards the base of the Wiluna open pit mines.

The March and June 2020 quarters were below expectations with gold produced of 24,317oz @ an AISC of A$2,770/oz and were hampered by slower than expected access to ore from Williamson and the Underground. The higher AISC/oz for the March 2020 and June 2020 quarters was primarily driven by lower grades mined and processed.

Table 1: FY2020 Gold Production Statistics

	Units	30 June 2020	30 June 2019
Mining			
Open pit strip ratio	Waste/Ore	10.3	9.1
Total ore mined (UG and open pit)	t	1,429,306	1,938,606
Total mined grade	g/t	1.5	1.3
Total mined contained ounces	oz	71,148	79,785
Processing			
Tonnes processed	t	1,688,291	1,807,931
Grade processed	g/t	1.4	1.3
Plant recovery	%	79	85
Gold Produced	**oz**	**61,885**	**65,406**
All-In Sustaining Cost	**A$/oz**	**1,950**	**1,760**

Discovery

During the FY2020 year the drill bit continued to deliver at Wiluna, supporting the Company's sulphide expansion strategy. The Company completed 49,800 metres of drilling in FY2020 across the Wiluna Mining Operation, including 17,464m of DD and 27,673m of RC completed at the Wiluna Mining Centre in support of the Company's Stage 1 expansion plan. The primary focus has been Reserve Development drilling of sulphide ore bodies in support of the proposed mine development sequence to:

1. Significantly increase the confidence in sulphide Resources from Inferred to Indicated category, which will underpin Stage 1 Reserves.
2. Add Reserve ounces in high grade, shallow zones, close to existing mine development that can be rapidly brought into production at low cost.
3. Find new, high grade shoots that will enhance the 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 doré and gold in concentrate over a long mine life.

The Company intends to release a new Resource update in late September 2020 and has commenced mine planning work for a Reserves update in December 2020.

Growth

The Company continued to advance its Stage 1 Sulphide Expansion plan during the year. The Company's Sulphide Expansion plan involves a staged upscaling of operations and the transition to mining the large sulphide resource at the Wiluna Mining Centre with treatment through a new flotation plant. Stage 1, the first of at least two planned development phases, is currently underway with the target of mining approximately 750,000tpa of underground ore producing approximately 120,000ozpa of gold doré and gold in concentrate commencing in September 2021.

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.

Corporate

As at 30 June 2020, the Company had A$11.4 million in cash and bullion (cash of A$8.9 million, bank guarantees of A$0.6 million and bullion of A$1.9 million) (30 June 2019 – A$4.2 million).

Net cash at 30 June 2020 was A$11.1 million (2019: Net debt A$11.8 million). Debt as at 30 June 2020 related to finance leases of A$0.3 million (2019: Debt A$16 million).

Results

The profit after tax for the financial year was A$14,250,000 (2019: Loss of A$73,161,000). The Group's net assets at the end of the year were A$138,537,000 (2019: A$62,177,000). The FY2020 result included Other Income of A$24 million, most of which was due to the sale of non-core assets during the year, namely the Lakeway Transaction with Salt Lake Potash Ltd.

Gold sold during the year was 62,788oz @ A$2,131/oz. There were 4,720oz of forward gold sales contracts in place at 30 June 2020, at an average price of A$2,504/oz, maturing by 31 August 2020.

New Corporate Branding and Trading Name

On 22 June 2020, the Company announced the adoption of a new brand and identify, advising that it would trade under the name 'Wiluna Mining Corporation Limited' and the ASX code 'WMX'.

Share Consolidation

In June 2020, the Company completed a share consolidation of 100 to 1, reducing shares on issue from 10,028,258,811 to 100,283,702. Quoted and unquoted options were also consolidated accordingly.

Equity Placements

In September 2019, the Company announced a A$7 million Capital raising via a A$4 million placement and a A$3 million Share Purchase Plan at a price of $0.01 (pre-consolidation) per share.

Additionally, the Company completed a Placement of A$26 million in two tranches, and a fully underwritten Entitlement Issue of A$26.1 million at a price of $0.01 (pre-consolidation) per share. The A$52 million Equity Issue was closed in April 2020.

Lakeway Transaction with Salt Lake Potash Ltd

The Lake Way Transaction was completed in early October 2019, with the full A$10 million contribution to Williamson Mining incurred as at 30 June 2020. During the year Salt Lake Potash (S04) also exercised its option to acquire the Southern Borefield infrastructure for consideration of A$3 million. At balance date, approximately A$4.2 million was still receivable from Salt Lake.

Debt Financing and Working Capital Facility

In order to simplify its capital structure, Wiluna finalised the process to repay and discharge its secured Convertible Security Funding Agreement with an entity managed by The Lind Partners (Lind). The outstanding balance of A$2,925,000 on 2 September 2019 was settled through a cash payment of A$1,625,000 and the issue of 144,444,445 fully paid ordinary shares in the Company. Lind released its security over the Group's assets.

Additionally, the Company entered into a new A$19 million working capital facility with MACA Limited (MACA).

On 22 April 2020, the Group fully extinguished all loan amounts outstanding with MACA Mining Limited. Consequently, MACA released its security over the Group's assets.

COVID-19

A COVID-19 Management and Response Plan was activated in early March 2020 in accordance with Western Australia State Government requirements and Australian Department of Health guidelines. As part of this plan, the Company required all employees or contractors who had incidental exposure to someone who has been diagnosed with the COVID-19 virus, and anyone who has travelled international, to stay at home for a self-isolation period of 14 days, regardless of whether they are showing symptoms.

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 2020 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

Debt Financing

On 14 August 2020, Wiluna Mining announced that all documentation concerning the gold prepaid swap financing facility and gold hedging facility provided by Mercuria Energy Trading Pte Ltd had been completed. The Company has executed the prepaid swap and the hedging transactions. The A$21 million prepaid swap proceeds (Tranche 1) will be repaid in full by delivering 699oz of gold per month over 12 months, totaling 8,388oz. The facility gives Wiluna Mining the flexibility of drawing a further A$40 million (Tranche 2), subject to Mercuria credit approval, to further advance the Stage 1 Expansion.

Wiluna Mining's favorable, ongoing hedging facility with Mercuria will see 34,000oz sold at an average price of A$2,674/oz, which is net of transaction costs, maturing over the next 12 months.

Apex Gold Share Issue

On 5 August 2020, Wiluna Mining announced the issue of 186,366 shares to RF Capital Pty Ltd pursuant to a deferred consideration payment of A$260,000 relating to the Company's initial acquisition of the Wiluna Gold Project.

The milestone achieved to trigger the deferred consideration, which is the final such performance milestone pursuant to the terms of the sale and purchase agreement, was the production hurdle of 100,000 ounces of gold derived from the prescribed Wiluna tenements, which was achieved in July 2020. The shares were issued at the 30-day VWAP as at 3 August 2020 which was A$1.395.

COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apart from the above, 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 as follows.

	Directors' Meetings		Audit and Risk Committee		Remuneration and Nomination Committee	
Director	Eligible	Attended	Eligible	Attended	Eligible	Attended
Milan Jerkovic	9	9	-	-	-	-
Neil Meadows(i)	4	4	-	-	-	-
Greg Fitzgerald	9	9	3	3	3	3
Anthony James	9	9	3	3	3	3
Sara Kelly(ii)	1	1	-	-	-	-

(i) Mr Meadows was appointed as a director on 1 December 2019.

(ii) Ms Kelly was appointed as a director on 22 May 2020.

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.

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	120,187
6 December 2018	13 February 2024	Unquoted	$8.00	720,000
16 April 2019	12 October 2020	Quoted	$3.00	5,736,662
16 April 2019	12 October 2020	Quoted	$3.00	1,000,000
5 July 2019	30 June 2023	Unquoted	$0.00	729,612
26 August 2019	30 June 2023	Unquoted	$0.00	137,748
10 July 2020	30 June 2024	Unquoted	$0.00	811,985
Total				**9,256,194**

Shares Issued on the Exercise of Options

No shares of the Company were issued during the year ended 30 June 2020 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 enforce 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	WMX Ops & Growth	WMX Value Creation	
Performance Period	One Year (STI)	Three Year Vest (LTI)	
Award	Cash	ZEPOs	TIO
Executives	48% – 88% p.a.*	20% p.a.	68% – 108% p.a.

* The Executive Chair's employment contract for the year ended 30 June 2020 allowed for a STI maximum amount of 88% of his TFR. From 1 July 2020, this maximum percentage reduces to 48%, in line with the other Executives (who have a maximum STI which is 48% of their TFR in both periods).

Remuneration Report (continued)

The maximum amount of TIO will only be delivered to the 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 (80%)

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

Individual performance (20%)

- 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; and,
- Resources maintained.

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

ZEPOs 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 three year measurement period.

Executive Chair Remuneration

Effective 1 July 2020, the Executive Chair's remuneration became as follows.

Total Fixed Remuneration

Total fixed remuneration increased from A$400,000pa to A$420,000pa. Notice period is 12 months to be given by the Company in year one of the contract, nine months to be given by the Company in year two of the contract and six months to be given by the Company in year three of the contract. Mr Jerkovic is required to give the Company three months' notice at any time during the three years of the contract. The employment contract for the position of Executive Chair ends on 30 June 2023.

Remuneration Report (continued)

Short-Term Incentives (STI)

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 (80%)

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

Individual performance (20%)

- Individual specific goals and Board's discretion.

Long-Term Incentives (LTI)

LTIs expiring on 31 December 2021 remain unchanged, being 2,500,000 unquoted ZEPOs with a A$nil exercise price. Furthermore, at a general meeting of shareholders on 24 September 2019, shareholders approved the issue of 2,522,596 ZEPOs with a A$nil exercise price to Mr Jerkovic which are subject to certain performance conditions and expire 30 June 2023.

To align with other Key Management Personnel, it will be put to the Company's shareholders at the 2020 Annual General Meeting that the Executive Chair be issued 20% of his total fixed remuneration in ZEPOs.

Voting and Comments Made at the Company's 2019 Annual General Meeting (AGM)

At the 2019 AGM 98% of the votes received supported the adoption of the Remuneration Report for the year ended 30 June 2019. 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 consisted of the following directors and executives:

Directors	Position
Milan Jerkovic	Executive Chair
Anthony James	Non-Executive Director
Greg Fitzgerald	Non-Executive Director
Sara Kelly	Non-Executive Director – appointed 22 May 2020
Neil Meadows	Operations Director – appointed 1 December 2019 (Previously GM – Major Projects & Business Improvement)

Key Management Personnel (KMP)	Position
Anthony Rechichi	Chief Financial Officer
Cain Fogarty	GM – Geology and Business Development
Jim Malone	GM – Investor Relations & Communications – appointed 1 March 2020
Wayne Foote	GM – Major Projects – appointed 30 March 2020
Guy Simpson	GM – Operations and Planning – resigned 22 April 2020

Remuneration Report (continued)

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; and,
- 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
Milan Jerkovic	Executive Chair	Ends 30/06/23	Three months' notice	12 months year one Nine months year two Six months year three	n/a
Anthony James	Non-Executive Director	Open	Upon resignation as Director	Upon termination as Director	n/a
Anthony Rechichi	Chief Financial Officer	Open	Three months' notice	Three months' notice	n/a
Cain Fogarty	GM – Geology and Business Development	Open	Three months' notice	Three months' notice	n/a
Greg Fitzgerald	Non-Executive Director	Open	Upon resignation as Director	Upon termination as Director	n/a
Jim Malone	GM – Investor Relations & Communications	Open	Three months' notice	Three months' notice	n/a
Neil Meadows	Operations Director	Open	Three months' notice	Three months' notice	n/a
Sara Kelly	Non-Executive Director	Open	Upon resignation as Director	Upon termination as Director	n/a
Wayne Foote	GM – Major Projects	Open	Three months' notice	Three months' notice	n/a

Key Management Personnel Remuneration

Table 2: Remuneration for the Year Ended 30 June 2020

		Short Term				Post Employment	Long Term		Performance Related	
		Salary & fees	STI[(i)]	Non-Monetary Benefits*	Annual Leave	Super-annuation	Long Service Leave	LTI	At Risk STI	At Risk LTI
2020		$	$	$	$	$	$	$	%	%
Directors										
Milan Jerkovic		378,997	87,501	4,200	-	21,003	-	83,509	15%	15%
Greg Fitzgerald		87,900	-	-	-	8,350	-	-	0%	0%
Anthony James		77,626	-	-	-	7,374	-	-	0%	0%
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										
Anthony Rechichi		298,997	44,800	4,200	23,004	21,003	2,666	108,909	9%	22%
Cain Fogarty		228,997	35,000	4,200	17,618	21,003	10,462	58,149	9%	16%
Jim Malone	Appointed 1 March 2020	53,272	7,000	1,392	-	5,061	-	4,098	10%	6%
Wayne Foote	Appointed 30 March 2020	82,203	12,095	1,059	6,324	5,250	-	-	11%	0%
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 to be paid for FY2020 are 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.

Table 3: Remuneration for the Year Ended 30 June 2019

		Short Term				Post Employment	Long Term			Performance Related	
		Salary & Fees	STI	Non-Monetary Benefits*	Annual Leave	Super-annuation	Long Service Leave	LTI	Termination Payments	At Risk STI	At Risk LTI
2019		$	$	$	$	$	$	$	$	%	%
Directors											
Milan Jerkovic		290,335	[iii]189,293	4,150	-	26,332	-	50,514	-	34%	9%
Bryan Dixon[i]	Terminated 1 May 2019	405,833	[iv]51,000	3,458	-	-	-	(33,676)	243,500	8%	n/a
Greg Fitzgerald		77,627	-	-	-	7,375	-	-	-	n/a	n/a
Anthony James		77,626	-	-	-	7,375	-	-	-	n/a	n/a
Geoff Jones	Appointed 1 August 2018 Resigned 21 December 2018	32,344	-	-	-	3,073	-	-	-	n/a	n/a
Greg Miles[ii]	Resigned 1 August 2018	7,076	-	-	-	-	-	-	-	n/a	n/a
Other KMP											
Richard Boffey	Resigned 31 May 2019	301,565	-	3,804	22,992	28,630	-	(17,511)	-	n/a	n/a
Cain Fogarty	Promoted 1 May 2019	38,167	[iv]7,403	691	2,356	3,500	884	3,834	-	13%	8%
Jonathan Lea	Resigned 24 May 2019	207,713	-	3,804	15,981	19,733	-	(9,607)	-	n/a	n/a
Neil Meadows	Appointed 1 June 2019	23,250	[iv]4,369	346	1,789	1,750	-	-	-	14%	n/a
Anthony Rechichi		263,346	[iv]56,216	4,150	20,261	24,654	800	65,878	-	13%	15%
Guy Simpson	Promoted 1 May 2019	54,000	[iv]9,782	-	4,315	3,500	744	11,800	-	12%	15%

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

(i) An aggregate amount of A$456,833 (2018: A$540,825) was paid or was due and payable to Warrior Strategic Pty Ltd, a company controlled by Mr Bryan Dixon, for the provision of corporate and management services to the Company in lieu of Mr Dixon's remuneration. In accordance with the terms of the previously disclosed services contract between the Company and Warrior Strategic Pty Ltd, Mr Dixon is obliged to work out his 6 month notice period beginning from 1 May 2019, and at the satisfactory completion of this notice period, the Company is contractually obliged to pay a termination fee of A$243,500. This termination expense has been accrued as at 30 June 2019.

(ii) An aggregate amount of A$7,076 (2018: A$85,000) was paid or due and payable to Hidden Asset Pty Ltd, a company controlled by Mr Greg Miles, for the provision of corporate and management services to the Group in lieu of Mr Miles' remuneration.

(iii) Mr Jerkovic's STI for the 6 months ended 31 December 2018 was 1,567,536 Zero Exercise Price Options, and for the 6 months to 30 June 2019 was A$65,625 payable in cash.

(iv) The STI remuneration represents the estimated amounts to be paid in cash in or around October 2019 and relates to incentives offered for the 12 month period ended 30 June 2019.

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	Share Consolidation (100 to 1) 25 May 2020	Held at the End of the Year
Directors							
Milan Jerkovic	73,218,771	-	37,823,215	-	-	(109,931,566)	1,110,420
Greg Fitzgerald	-	-	-	-	-	-	-
Anthony James	-	-	-	-	-	-	-
Sara Kelly	-	-	-	-	-	-	-
Neil Meadows	-	-	-	-	-	-	-
Other KMP							
Anthony Rechichi	-	-	-	-	-	-	-
Cain Fogarty	-	-	-	10,000,000	-	(9,900,000)	100,000
Jim Malone	-	-	1,441,469	4,858,531	-	(6,237,000)	63,000
Wayne Foote	-	-	-	-	-	-	-
Guy Simpson	-	-	-	-	-	-	-
Total	**73,218,771**	**-**	**39,264,684**	**14,858,531**	**-**	**(126,068,566)**	**1,273,420**

(i) Shares were purchased at an issue price of $0.01 per share (pre-consolidation).

Table 5: Option Holdings of Key Management Personnel

Name	Held at the Start of the Year	Granted as Remuneration Number (ii)	Grant Date	Fair Value at Grant Date(iii)	Vesting Conditions	Vesting Date	Expiry	Exercise Price(iii)	Other	Share Consolidation (100:1) 25 May 2020	Held at the End of the Year
Directors											
Milan Jerkovic(i)	1,250,000	-	11/05/2018	$5.17	Performance vs ASX Gold Index	31/12/2020	31/12/2021	$0.00	-	(1,237,500)	12,500
	1,250,000	-	11/05/2018	$7.68	Reserves & resources increased	31/12/2020	31/12/2021	$0.00	-	(1,237,500)	12,500
	20,901,499	-	15/04/2019	n/a	n/a	n/a	12/10/2020	$3.00	-	(20,692,484)	209,015
		1,261,298	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	-	(1,248,685)	12,613
		882,909	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	-	(874,080)	8,829
		378,389	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	-	(374,606)	3,784
Neil Meadows(i)	-	7,961,538	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	-	(7,881,923)	79,615
	-	5,573,077	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	-	(5,517,346)	55,731
	-	2,388,462	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	-	(2,364,577)	23,885
Greg Fitzgerald	-	-	-	-	-	-	-	-	-		-
Anthony James	-	-	-	-	-	-	-	-	-		-
Sara Kelly	-	-	-	-	-	-	-	-	-		-

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

(ii) Shares were purchased at an issue price of $0.01 per share (pre-consolidation).

(iii) These figures are post-consolidation of the Company's securities, being 100:1, completed on 25 May 2020.

Table 5: Option Holdings of Key Management Personnel (continued)

Name	Held at the Start of the Year	Granted as Remuneration Number (ii)	Grant Date	Fair Value at Grant Date(iii)	Vesting Conditions	Vesting Date	Expiry	Exercise Price(iii)	Other	Share Consolidation (100:1) 25 May 2020	Held at the End of the Year
Other KMP											
Cain Fogarty	569,292	-	11/05/2018	$5.17	Performance vs ASX Gold Index	31/12/2020	31/12/2021	$0.00	-	(563,599)	5,693
	569,292	-	11/05/2018	$7.68	Reserves & resources increased	31/12/2020	31/12/2021	$0.00	-	(563,599)	5,693
		2,895,399	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	-	(2,866,445)	28,954
		2,026,779	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	-	(2,006,512)	20,268
		868,620	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	-	(859,934)	8,686
Anthony Rechichi	1,630,188	-	11/05/2018	$5.17	Performance vs ASX Gold Index	31/12/2020	31/12/2021	$0.00	-	(1,613,887)	16,302
	1,630,189	-	11/05/2018	$7.68	Reserves & resources increased	31/12/2020	31/12/2021	$0.00	-	(1,613,887)	16,302
		1,644,923	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	-	(1,628,474)	16,449
		1,151,446	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	-	(1,139,932)	11,514
		493,477	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	-	(488,542)	4,935
Wayne Foote	-	-	-	-	-	-	-	-	-	-	-

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

(ii) Shares were purchased at an issue price of $0.01 per share (pre-consolidation).

(iii) These figures are post-consolidation of the Company's securities, being 100:1, completed on 25 May 2020.

Table 5: Option Holdings of Key Management Personnel (continued)

Name	Held at the Start of the Year	Granted as Remuneration Number (ii)	Grant Date	Fair Value at Grant Date(iii)	Vesting Conditions	Vesting Date	Expiry	Exercise Price(iii)	Other	Share Consolidation (100:1) 25 May 2020	Held at the End of the Year
Other KMP (continued)											
Jim Malone	245,445	-	11/05/2018	$5.17	Performance vs ASX Gold Index	31/12/2020	31/12/2021	$0.00	-	(242,991)	2,454
	245,445	-	11/05/2018	$7.68	Reserves & resources increased	31/12/2020	31/12/2021	$0.00	-	(242,991)	2,454
		247,663	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	-	(245,187)	2,477
		173,364	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	-	(171,631)	1,734
		74,299	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	-	(73,556)	743
Guy Simpson(i)	1,752,000	-	11/05/2018	$5.17	Performance vs ASX Gold Index	31/12/2020	31/12/2021	$0.00	(1,752,000)	-	-
	1,752,000	-	11/05/2018	$7.68	Reserves & resources increased	31/12/2020	31/12/2021	$0.00	(1,752,000)	-	-
		1,767,835	05/07/2019	$1.30	Performance vs ASX Gold Index	30/06/2022	30/06/2023	$0.00	(1,767,835)	-	-
		1,237,485	05/07/2019	$1.30	Reserve increase	30/06/2022	30/06/2023	$0.00	(1,237,485)	-	-
		530,351	05/07/2019	$1.30	Resource maintained	30/06/2022	30/06/2023	$0.00	(530,531)	-	-
Total	**31,795,350**	**31,557,314**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,039,851)**	**(55,749,868)**	**563,130**

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

(ii) Shares were purchased at an issue price of $0.01 per share (pre-consolidation).

(iii) These figures are post-consolidation of the Company's securities, being 100:1, completed on 25 May 2020.

Remuneration Report (continued)

Consequences of Performance on Shareholder Wealth

The earnings of the Group for the five years to 30 June 2020 are summarised below.

		2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
Sales revenue	($'000)	126,562	102,466	118,252	47,331	-
Profit/(loss) after income tax	($'000)	14,250	(73,161)	(20,027)	(6,844)	(8,009)
Share price at 30 June	$ per share	1.34(i)	0.011	0.07	0.28	0.70
Basic profit/(loss) per share	cents per share	24.43(i)	(4.29)	(2.95)	(2.28)	(3.73)

(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 2020.

Other Transactions with Key Management Personnel and Their Related Parties

	Transactions with Related Parties $'000	Balances Outstanding $'000
Xavier Group Pty Ltd(i)	318	40

(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.

Auditor Independence Declaration

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

Milan Jerkovic

Milan Jerkovic
Executive Chair
Perth, 28 August 2020

Auditor Independence Declaration (continued)

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 2020, 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: 28 August 2020

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RSM Australia Partners ABN 36 965 185 036

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Continuing Operations			
Revenue from gold and silver sales	1	126,562	102,466
Cost of production relating to gold sales	2	(96,528)	(103,459)
Gross Profit/(Loss) Before Depreciation and Amortisation		**30,034**	**(993)**
Depreciation and amortisation relating to gold sales	2	(28,541)	(14,077)
Gross Profit/(Loss) from Operations		**1,493**	**(15,070)**
Other income	4	24,051	6,582
Administration expenses		(5,559)	(4,775)
Non-capital exploration expenditure		(42)	(1,293)
Depreciation of non-mine site assets		(63)	(65)
Share-based payments	3	(456)	(132)
Finance costs	3	(9,278)	(9,084)
Treasury – realised (loss)/gain	5	(13)	2,126
Treasury – unrealised gain/(loss)	5	4,117	(5,851)
Asset impairment charges	15	-	(45,002)
Other expenses		-	(597)
Profit/(Loss) Before Income Tax Expense for the Year from Continuing Operations		**14,250**	**(73,161)**
Income tax expense	6	-	-
Profit/(Loss) After Income Tax Expense for the Year From Continuing Operations		**14,250**	**(73,161)**
Other Comprehensive Income		**-**	**-**
Total Comprehensive Profit/(Loss) for the Year, Net of Tax		**14,250**	**(73,161)**

		Cents	Cents
Basic profit/(loss) per share attributable to ordinary equity holders of Wiluna Mining Corporation Limited (cents per share)	7	24.43	(429.00)
Diluted profit/(loss) per share attributable to ordinary equity holders of Wiluna Mining Corporation Limited (cents per share)	7	24.02	(429.00)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2020

		Consolidated	
	Note	2020 $'000	2019 $'000
Current Assets			
Cash and cash equivalents	16	8,904	693
Gold bullion awaiting settlement	17	1,887	2,939
Trade and other receivables	24	7,075	2,594
Inventories	25	15,779	16,308
Financial assets	19	8	10
Total Current Assets		**33,653**	**22,544**
Non-Current Assets			
Other receivables	24	570	400
Right of use assets	20	9,792	-
Plant and equipment	11	63,583	45,166
Mine properties – areas in production	12	91,642	69,780
Mine properties – areas in development	13	4,677	3,581
Exploration and evaluation expenditure	14	12,974	5,209
Total Non-Current Assets		**183,238**	**124,136**
Total Assets		**216,891**	**146,680**
Current Liabilities			
Trade and other payables	26	34,456	41,375
Provisions	27	1,443	1,342
Financial liabilities	19	363	4,478
Interest-bearing liabilities	18	168	11,933
Lease liability on right of use assets	20	6,196	-
Total Current Liabilities		**42,626**	**59,128**
Non-Current Liabilities			
Interest-bearing liabilities	18	125	207
Provisions	27	31,374	25,168
Lease liability on right of use assets	20	4,229	-
Total Non-Current Liabilities		**35,728**	**25,375**
Total Liabilities		**78,354**	**84,503**
Net Assets		**138,537**	**62,177**
Equity			
Issued capital	22	236,865	175,285
Reserves	23	6,177	5,647
Accumulated losses		(104,505)	(118,755)
Total Equity		**138,537**	**62,177**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Consolidated			
	Issued Capital $'000	Reserves $'000	Accumulated Losses $'000	Total $'000
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
At 1 July 2018	**145,459**	**4,621**	**(46,954)**	103,126
Loss after income tax for the year	-	-	(73,161)	(73,161)
Other comprehensive income, net of tax	-	-	-	-
Total Comprehensive Loss for the Year	**-**	**-**	**(73,161)**	**(73,161)**
Transactions with Owners in their Capacity as Owners				
Share-based payments expense	5,992	2,386	-	8,378
Shares issued, net of transactions costs	23,834	-	-	23,834
Expiry of options	-	(1,360)	1,360	-
At 30 June 2019	**175,285**	**5,647**	**(118,755)**	**62,177**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash Flows from Operating Activities			
Proceeds from gold sales		127,614	103,083
Payments to suppliers and employees		(110,562)	(106,092)
Interest received		9	52
Interest paid		(3,779)	(2,461)
Hedge premium income		-	2,126
Toll treatment revenue	4	-	3,125
Other		1,071	406
Net Cash Flows from Operating Activities	16	**14,353**	**239**
Cash Flows from Investing Activities			
Purchase of plant and equipment		(23,638)	(10,946)
Proceeds from disposal of plant and equipment		-	4
Proceeds from sale of non-core assets, net of costs		10,335	2,850
Payments for exploration and evaluation		(8,962)	(7,599)
Payments for mine properties		(28,184)	(14,743)
Proceeds from pre-production gold sales		7,422	5,267
Other		-	4
Net Cash Flows used in Investing Activities		**(43,027)**	**(25,163)**
Cash Flows from Financing Activities			
Proceeds from issue of equities		59,136	24,131
Payment of share issue costs		(3,446)	(1,838)
Proceeds from loan, net of fees		1,625	5,401
Repayment of loans		(14,104)	(22,737)
Proceeds from finance lease		104	242
Repayment of finance lease		(197)	(208)
Change in bank guarantees		-	(116)
Repayment of lease liabilities		(6,233)	-
Net Cash Flows from Financing Activities		**36,885**	**4,875**
Net increase/(decrease) in cash held		8,211	(20,049)
Cash and cash equivalents at beginning of the year		693	20,742
Cash and Cash Equivalents at End of the Year		**8,904**	**693**

The accompanying notes form part of these financial statements.

THE NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

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 28 August 2020 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.

Changes in Accounting Policies

The Group has adopted all the new, revised and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted by the Group.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity.

AASB 16 Leases

The Group has adopted AASB 16 'Leases' (AASB 16) from 1 July 2019. The standard replaces AASB 117 'Leases' (AASB 117) and for lessees, eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position.

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 Group 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 re-measurement of lease liabilities.

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 Group'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.

Transition

Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss.

For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

In accordance with the transition provisions of AASB 16, the Group has adopted the modified retrospective transition approach to implementing the new standard. Under this approach, comparatives are not restated. Instead, the reclassifications and adjustments arising from the new leasing rules are recognised in the statement of financial position on 1 July 2019.

The impact on the statement of financial position as at 1 July 2019 on the adoption of AASB16 are noted below.

	$'000
Right-of-Use Assets	
Buildings	617
Plant & equipment	16,040
Total Right-of-Use Assets	**16,657**
Lease Liabilities	
Current	6,234
Non-current	10,423
Total Lease Liabilities	**16,657**
Impact on Opening Accumulated Losses as at 1 July 2019	**-**

The leases recognised by the Group under AASB 16 predominantly relate to contractor-provided equipment and office premises.

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 2020 Financial Statements, the consolidated entity had net current liabilities of A$9 million, which includes the lease liability of A$6.2 million (relating to Right-of-use Assets). Despite the net current liability position as at 30 June 2020, the Group had positive net cash inflows from operating activities of A$14.4 million for the year and had net assets of A$138.5 million at that date. Therefore, the Directors believe that the going concern basis of preparation of the Financial Report remains appropriate, after consideration of the following mitigating factors;

- The Company has secured a total of A$21 million via drawdown of the Tranche 1 prepaid swap financing facility agreed with Mercuria[1]. Those funds exceed short-term working capital commitments and enable the Group to commence activities relating to the Stage 1 Expansion[2];
- The Group's mining operation has generated positive operating cash flows since the Group's capital restructure in early 2018, and the Group has forecasted to continue to achieve positive cash flows from its operations which, following the headroom created by the new funds to meet short-term debt repayments and working capital commitments, will generate sufficient cash inflows to meet the repayment of trade debts and other liabilities when they become due and payable; and,
- The Company has further flexibility of drawing on a further A$40 million (Tranche 2), subject to Mercuria credit approval to further advance the Stage 1 Expansion[1]. This transaction is not critical to maintain the going concern assumption, however it furthers the Company's ability to complete the transition to sulphide gold concentrate production via the Stage 1 Expansion.

Accordingly, the Directors believe that the Group 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.

[1] Refer to the ASX release dated 14 August 2020.

[2] Refer to the ASX release dated 3 February 2020.

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.

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.

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	Leases
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.

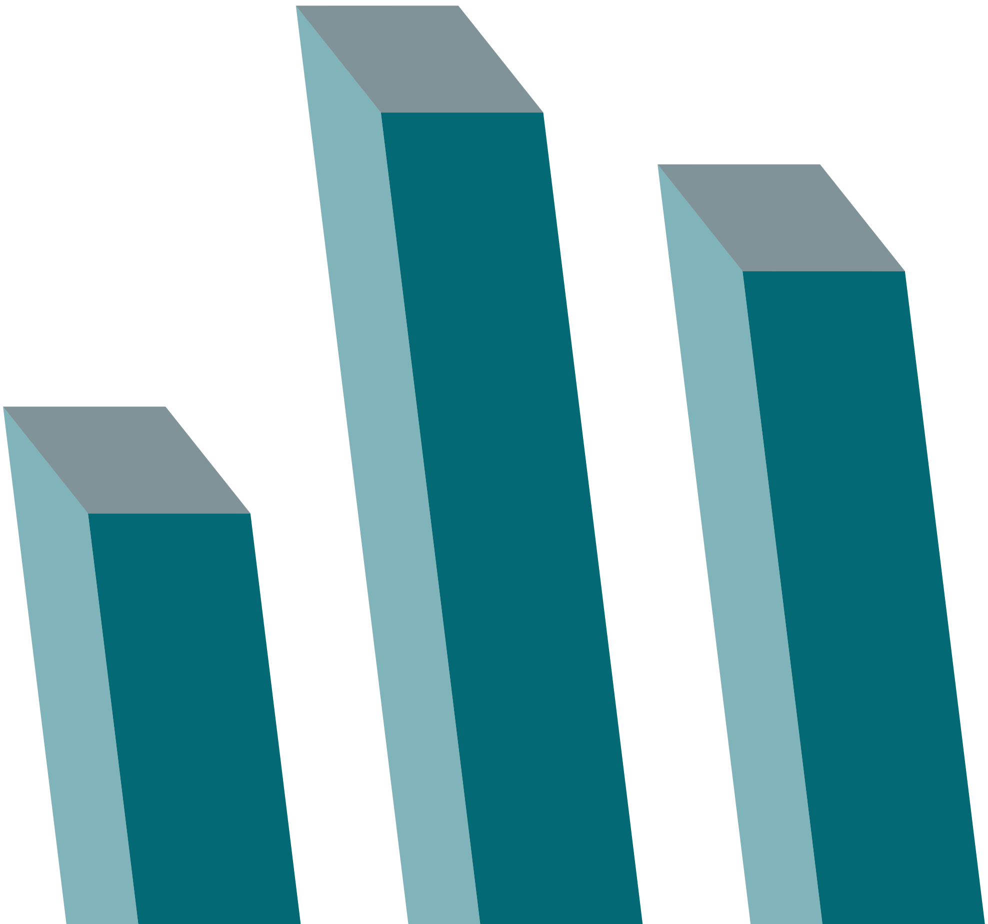
Information is considered relevant and material if, for example;

- 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.



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	
	2020 $'000	2019 $'000
Gold and Silver Sales		
- gold sales at spot price[(i)]	135,102	107,589
- loss on gold forward contracts	(8,708)	(5,305)
Total Gold Sales	**126,394**	**102,284**
Silver sales	168	182
Total Gold and Silver Sales	**126,562**	**102,466**

(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.

2. COST OF GOODS SOLD

	Consolidated	
	2020 $'000	2019 $'000
Cost of Goods Sold		
Costs of production	86,666	102,053
Royalties	8,179	6,747
Depreciation of mine plant and equipment	12,024	2,347
Amortisation of mine properties	16,517	11,730
Open pit waste removal movements	(599)	(339)
Underground costs capitalised	(155)	(574)
Stockpile movements	870	(3,043)
Gold in circuit movements	1,567	(1,385)
Total	**125,069**	**117,536**

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.

2. Cost of Goods Sold (continued)

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.

3. EXPENSES

	Consolidated	
	2020 $'000	2019 $'000
Share-Based Payments Expense		
Employees/service providers	303	115
Directors	153	17
Share-Based Payments Expense Recognised in the Statement of Comprehensive Income	**456**	**132**

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.

		Consolidated	
	Note	2020 $'000	2019 $'000
Finance Costs			
Interest		1,749	4,080
Borrowing costs		5,245	4,294
Unwinding on discount of rehabilitation provision	27	283	710
Interest on lease liability		2,001	-
Total		**9,278**	**9,084**

3. Expenses (continued)

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.

4. OTHER INCOME

	Consolidated	
	2020 $'000	2019 $'000
Other Income		
- sale of non-core assets[(i)]	21,655	3,350
- other income	2,367	55
- interest revenue	29	52
- toll treatment revenue	-	3,125
Total	**24,051**	**6,582**

(i) Relates to income generated from the sale of non-core assets and includes proceeds from the Lakeway Transaction completed during the 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	2020 $'000	2019 $'000
Treasury – Realised Gain			
- foreign exchange (loss)/gain		(13)	-
- hedge premium income		-	2,126
Total		**(13)**	**2,126**
Treasury – Unrealised Loss			
Unrealised gain/(loss) on forward contracts	8	3,535	(4,841)
Gain/(loss) on financial assets		582	(1,010)
Total		**4,117**	**(5,851)**

Note: Gold forward contracts have been marked to market at 30 June 2020, as per Note 8.

6. INCOME TAX

	Consolidated	
	2020 $'000	2019 $'000
Components of the Tax Expense/Income		
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/(loss) before income tax	14,250	(73,161)
Prima facie tax on profit/(loss) from ordinary activities before income tax at 30% (2019: 30%)	4,275	(21,948)
Add the Tax Effect of:		
Permanent differences	1,757	94
Effect of current year temporary differences not recognised	-	15,238
Effect of current year tax losses (utilised)/not recognised	(6,032)	6,616
Income Tax Expense	**-**	**-**

(b) Unrecognised Deferred Tax Assets and (Liabilities)

	Consolidated	
	2020 $'000	2019 $'000
Trade and other receivables	(87)	(39)
Financial assets and liabilities	145	1,379
Right-of-use assets	(2,938)	-
Plant and equipment	4,145	1,373
Exploration and development expenditure	(3,886)	(1,557)
Mine properties	(18,604)	(8,545)
Trade and other payables	141	131
Interest-bearing liabilities	103	124
Lease liabilities	3,127	-
Provisions	9,845	7,953
Equity	900	1,643
(Deferred tax assets which have not been recognised) / tax losses recognised to offset deferred tax liabilities	7,109	(2,462)
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.

6. Income Tax (continued)

(c) Tax Losses

	Consolidated	
	2020 $'000	2019 $'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	157,353	135,927
Losses used against deferred tax liabilities	(23,692)	-
Gross tax losses for which no deferred tax asset has been recognised	133,661	135,927
Tax effected at 30%	40,098	40,778
Capital Losses		
Estimated capital losses for which no deferred tax asset is recognised	-	-

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	
	2020 $'000	2019 $'000
(a) Profit/(loss) after income tax for the year	14,250	(73,161)

	No. of Shares ('000s)	No. of Shares ('000s)
(b) Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	58,334	17,051
(c) Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS	59,314	17,051

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.

8. PHYSICAL GOLD DELIVERY COMMITMENTS

	Gold for Physical Delivery		Contracted Gold Sale Price		Value of Committed Sales		Mark-to-Market[i]	
Open Contracts	2020 Ounces	2019 Ounces	2020 $/oz	2019 $/oz	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Within One Year								
- Fixed forward contracts	4,720	18,500	2,504	1,805	11,817	33,393	(363)	(3,898)
	4,720	**18,500**			**11,817**	**33,393**	**(363)**	**(3,898)**

(i) 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 MKS (Switzerland) S.A.

9. OPERATING SEGMENT INFORMATION

The Group has one reportable segment which is gold production for the years ended 30 June 2020 and 30 June 2019. 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 2020, the Group's external revenue was predominantly derived from sales to MKS and the Perth Mint through the Matilda-Wiluna Gold Operation operating segment.

Accounting Policies

Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

10. DIVIDENDS PAID OR PROVIDED FOR

There were no dividends paid or provided for during the year (2019: Nil).

Accounting Policies

Dividends

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

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 $'000
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)	(4,717)	-	(28,165)
Net Carrying Amount	**25,920**	**606**	**617**	**6,906**	**9,185**	**20,349**	**63,583**
Net carrying amount at 1 July 2018	**34,389**	**591**	**1,004**	**8,732**	**3,969**	**6,579**	**55,264**
Additions	426	-	-	-	-	8,012	8,438
Depreciation expense	(1,645)	(157)	(227)	(369)	(246)	-	(2,644)
Transfers between classes	1,344	224	188	1,850	9,636	(13,242)	-
Impaired during the year	(9,328)	(167)	(251)	(2,656)	(3,475)	-	(15,877)
Disposals	-	(15)	-	-	-	-	(15)
Net Carrying Amount at 30 June 2019	**25,186**	**476**	**714**	**7,557**	**9,884**	**1,349**	**45,166**
At 30 June 2019							
Cost	38,902	1,057	1,552	11,173	13,902	1,349	67,935
Accumulated depreciation	(13,716)	(581)	(838)	(3,616)	(4,018)	-	(22,769)
Net Carrying Amount	**25,186**	**476**	**714**	**7,557**	**9,884**	**1,349**	**45,166**

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.

12. MINE PROPERTIES – AREAS IN PRODUCTION

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**

2019	Note	Consolidated Mine Properties $'000	Consolidated Stripping Activity Asset $'000	Consolidated Total $'000
Balance at 1 July		76,919	589	77,508
Transferred from mine properties – areas in development	13	14,131	-	14,131
Additions		1,875	5,240	7,115
Transferred from exploration and evaluation expenditure	14	15,417	-	15,417
Rehabilitation provision adjustment	27	(1,400)	-	(1,400)
Amortisation included in costs of production		-	(4,901)	(4,901)
Amortisation during production	2	(11,730)	-	(11,730)
Impaired during the year		(26,360)	-	(26,360)
Balance at 30 June 2019		**68,852**	**928**	**69,780**

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.

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.

13. MINE PROPERTIES – AREAS IN DEVELOPMENT

	Note	Consolidated	
		2020 $'000	2019 $'000
Balance at 1 July		3,581	3,348
Pre-production expenditure capitalised, net of gold sales		30,963	14,087
Transferred to mine properties – areas in production	12	(30,963)	(14,131)
Expansion study costs		1,096	1,536
Impaired during the year		-	(1,259)
Balance at 30 June		**4,677**	**3,581**

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.

14. EXPLORATION AND EVALUATION EXPENDITURE

		Consolidated	
		2020	2019
	Note	$'000	$'000
Reconciliation of Movements During the Year			
Balance at 1 July		5,209	15,733
Exploration expenditure incurred during the year		8,999	5,392
Transferred to mine properties – areas in production	12	-	(15,417)
Expensed during the year		(1,234)	(499)
Balance at 30 June		**12,974**	**5,209**

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 Groups 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.

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	
	2020 $'000	2019 $'000
Within one year	3,284	1,803

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).

15. Impairment of Assets (continued)

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. However, where the value per ounce from the reserves/resources included in the CGU's discounted cash flow model (i.e. in the LOM) is less than this market rate determination, the lower value per ounce from the CGU's discounted cash flow model is used when calculating that CGU's value of unmined ounces. Where appropriate, the value per ounce is also discounted accordingly for any future costs which would be required to exploit the in-situ 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 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.

No impairment triggers occurred for the year ended 30 June 2020, and as such, no further impairment testing was performed.

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	
	2020 $'000	2019 $'000
Cash and Cash Equivalents in the Statement of Financial Position and Statement of Cash Flows		
Cash at bank and on hand	8,904	693
Total	**8,904**	**693**

	Consolidated	
	2020 $'000	2019 $'000
Reconciliation of Loss after Income Tax to the Net Cash Flow from Operating Activities		
Profit/(Loss) After Income Tax	**14,250**	**(73,161)**
Adjustments for		
Depreciation and amortisation relating to gold sales	28,541	14,308
Depreciation of non-mine site assets	63	65
Asset impairment charges	-	45,002
Equity based payments	530	273
Treasury – unrealised loss/(gain)	(4,117)	5,851
Williamson pre-strip contribution	(10,155)	-
Non-capital exploration expenditure	42	1,293
Unwinding of discount on rehabilitation provision	283	710
Finance costs	5,225	4,267
Sale of non-core assets, net of costs	(10,335)	(2,850)
Other	573	(371)
Changes in Net Assets and Liabilities		
Receivables	(3,599)	(689)
Inventories	529	(4,439)
Payables	(7,477)	9,980
Net Cash Inflows from Operating Activities	**14,353**	**239**

17. GOLD BULLION AWAITING SETTLEMENT

	Consolidated	
	2020 $'000	2019 $'000
Current		
Gold bullion awaiting settlement	1,887	2,939

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.

18. INTEREST-BEARING LIABILITIES

	Consolidated	
	2020 $'000	2019 $'000
Current Interest-Bearing Liabilities		
Secured loan – MACA	-	7,506
Convertible note, net of fees & collateral shares	-	4,277
Finance lease liabilities	168	150
Total	**168**	**11,933**
Non-Current Interest-Bearing Liabilities		
Finance lease liabilities	125	207
Total	**125**	**207**

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.

18. Interest-bearing Liabilities (continued)

Interest-bearing Liabilities

Secured Loans – MACA Limited (MACA)

On 22 April 2020, the Group fully extinguished all loan amounts outstanding with MACA Mining Limited. Consequently, MACA released its security over the Group's assets.

Secured Convertible Note – Lind Partners (Lind)

In order to simplify its capital structure, Wiluna finalised the process to repay and discharge its funding facility with an entity managed by The Lind Partners (Lind). The outstanding balance of A$2,925,000 on 2 September 2019 was settled through a cash payment of A$1,625,000 and the issue of 144,444,445 fully paid ordinary shares in Wiluna. Lind released its security over the Group's assets.

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 2020 and June 2023. Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

19. FINANCIAL ASSETS AND LIABILITIES

	Consolidated	
	2020 $'000	2019 $'000
Financial Assets		
Other	8	10
Total	**8**	**10**
Financial Liabilities		
Derivative financial liability	363	3,898
Embedded derivative	-	580
Total	**363**	**4,478**

Gold forward contracts have been marked-to-market at 30 June 2020 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.

20. LEASES

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

Amounts Recognised in Statement of Financial Position

	As at 30 June 2020 $'000	As at 30 June 2019 $'000
Right-of-Use Assets		
Buildings	617	-
Plant & equipment	16,040	-
Less: Accumulated depreciation	(6,865)	-
Total Right-of-Use Assets	**9,792**	**-**
Lease Liabilities		
Current	6,196	-
Non-current	4,229	-
Total Lease Liabilities	**10,425**	**-**

Amounts Recognised in Statement of Profit or Loss and Other Comprehensive Income

	30 June 2020 $'000	30 June 2019 $'000
Depreciation of right-of-use assets	6,865	-
Interest expense (included in finance costs)	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

20. Leases (continued)

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.

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 2020, the effect on loss as a result of changes in the interest rate, with all other variables remaining constant, would be as follows.

	Consolidated	
	2020 $'000	2019 $'000
Change in Loss/Equity		
Increase in interest rate by 100 basis points	86	4
Decrease in interest rate by 100 basis points	(86)	(4)

21. Financial Risk Management (continued)

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.

Financing Arrangements

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

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.

Non-Derivatives 2020	Weighted Average Interest Rate %	One Year or Less $'000	Between One and Two Years $'000	Between Two and Five Years $'000	Over Five Years $'000	Remaining Contractual Maturities $'000
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**

21. Financial Risk Management (continued)

Non-Derivatives 2019	Weighted Average Interest Rate %	One Year or Less $'000	Between One and Two Years $'000	Between Two and Five Years $'000	Over Five Years $'000	Remaining Contractual Maturities $'000
Non-Interest Bearing						
Trade and other payables	-	41,375	-	-	-	41,375
Interest-Bearing – Fixed Rate						
Secured loan – MACA	12.50	7,506	-	-	-	7,506
Secured loan – Orion	20	4,277	-	-	-	4,277
Finance lease liability	3	150	150	57		357
Total Non-Derivatives		**53,308**	**150**	**57**	**-**	**53,515**

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; and,
- 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.

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 as follows.

21. Financial Risk Management (continued)

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 2020			
Recurring Fair Value Measurements	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets at Fair Falue Through Profit or Loss				
- held-for-trading Australian listed shares	8	-	-	8
- gold forward contracts	-	(363)	-	(363)

	30 June 2019			
Recurring Fair Value Measurements	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets at Fair Value Through Profit or Loss				
- held-for-trading Australian listed shares	10	-	-	10
- convertible note embedded derivative	-	(580)	-	(580)
- gold forward contracts	-	(3,898)	-	(3,898)

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.

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.

22. ISSUED CAPITAL

	Consolidated	
	2020 $'000	2019 $'000
Ordinary shares – issued and fully paid	236,865	175,285

	Number ('000s)	$'000
Movement in Ordinary Shares on iIsue		
At 1 July 2018	1,265,519	145,459
Issued on exercise of options	3,188	1
Issued on conversion of performance rights	-	-
Placement	1,727,340	26,076
Issued in lieu of payment	444,599	5,992
Transaction costs	-	(2,243)
On Issue at 30 June 2019	**3,440,646**	**175,285**
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**

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.

23. RESERVES

	Consolidated	
	Number ('000s)	$'000
Share-Based Payments Reserve Consists of:		
Share options	8,444	4,767
Performance rights	-	1,410
	8,444	**6,177**
Balance at 1 July 2018	589,627	4,621
Options expired	(535,819)	(1,360)
Options issued	745,639	2,386
Options exercised	(3,188)	-
Options forfeited	(29,582)	-
Balance at 30 June 2019	**766,677**	**5,647**
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**

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.

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 12 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 12 months after the reporting period.

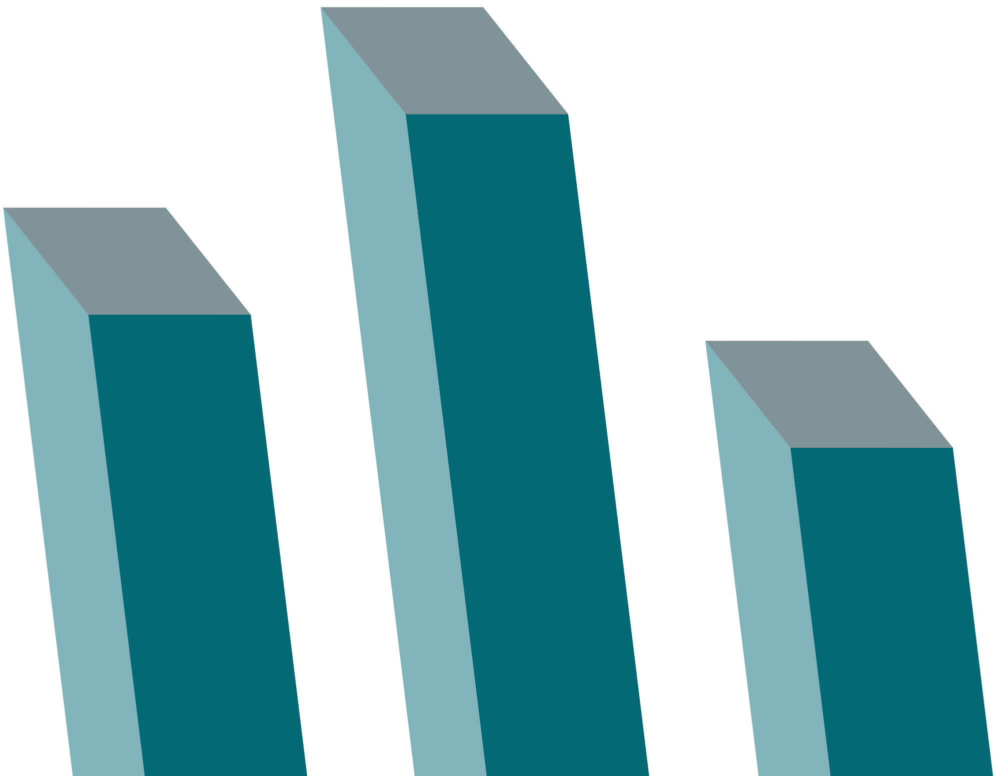
All other assets are classified as non-current.

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 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 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	
	2020 $'000	2019 $'000
Current		
GST receivable	1,412	723
Fuel tax credit receivable	290	121
Trade debtors	349	407
Other debtors	5,024	1,343
Total	**7,075**	**2,594**
Non-Current		
Bank guarantees (restricted cash)	570	400
Total	**570**	**400**

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.

25. INVENTORIES

	Consolidated	
	2020 $'000	2019 $'000
Current		
Consumable stores	3,751	3,036
Ore stockpiles – at cost	6,726	1,636
Ore stockpiles – at net realisable value	2,980	7,747
Gold in circuit – at net realisable value	2,322	3,889
Total Current	**15,779**	**16,308**
Non-Current		
Ore stockpiles – at cost	-	1,504
Asset impairment charges	-	(1,504)
Total Non-Current	-	-

(a) Amounts recognised in profit or loss.

Write-ups of inventories on hand at 30 June 2020 to net realisable value amounted to A$1,187,718 (2019: Write-down of A$2,354,000). 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.

26. TRADE AND OTHER PAYABLES

	Consolidated	
	2020 $'000	2019 $'000
Current		
Trade payables	17,992	28,215
Accrued expenses	15,206	11,421
Other creditors	1,258	1,739
Total	**34,456**	**41,375**

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 expensed in the period in which they are incurred.

27. PROVISIONS

		Consolidated	
	Note	2020 $'000	2019 $'000
Current			
Rehabilitation		-	261
Annual leave payable		1,443	1,081
Balance at 30 June		**1,443**	**1,342**
Non-Current			
Long service leave		136	80
Rehabilitation		31,238	25,088
Balance at 30 June		**31,374**	**25,168**
Provision for Rehabilitation			
Balance at 1 July		25,349	26,060
Provisions re-measured during the year	12	5,620	(1,400)
Provision used during the year		(14)	(21)
Unwinding of discount	3	283	710
Balance at 30 June		**31,238**	**25,349**

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.

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.

	2020		2019	
	No.	WAEP	No.	WAEP
At beginning of reporting period	766,677,036	$0.035	589,627,328	$0.076
Granted During the Period				
- Entitlements Offer	-	-	573,638,562	$0.030
- Employees and service providers	100,951,392	-	172,000,000	$0.050
Forfeited during the period	(21,036,347)	-	(29,581,628)	$0.000
Exercised during the period	-	-	(3,188,430)	$0.000
Expired during the period	(2,200,000)	$0.332	(535,818,796)	$0.008
Consolidation (100:1)	(835,947,872)	-	-	-
Balance the End of Reporting Period	**8,444,209**(i)	**$3.076**(i)	**766,677,036**	**$0.0360**
Exercisable at End of Reporting Period	**7,456,386**(i)	**$3.483**(i)	**749,188,562**	**$0.0360**

(i) *Note: These figures are post-consolidation of the Company's securities, being 100:1, completed on 25 May 2020.*

	2020(i)	2019
Weighted average remaining contractual life	0.9 years	1.6 years
Range of exercise prices	$0.00 – $8.00	$0.00 – $0.308
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	$1.300	0.003
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.*

28. Share-Based Payments (continued)

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.

Option Pricing Model

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	$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	
	2020 $'000	2019 $'000
Short-term employee benefits	2,165	2,184
Long-term employee benefits	335	74
Post employment benefits	129	126
Termination benefits	-	244
Total Compensation	**2,629**	**2,628**

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 2020	Entity Interest 2019
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 (formerly Matilda 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 (formerly Matilda Operations Pty Ltd)	Australia	Wiluna Gold Pty Ltd	100%	100%

Wiluna Mining Corporation Limited is the parent entity of the Group.

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 A$318,217 (2019: A$176,030) for consulting services provided to the Group. A$40,468 (2019: A$43,290) 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 2020 and 30 June 2019.

30. JOINT VENTURES AND ASSOCIATES

Joint Operation	Joint Operation Parties	Principal Activities	30 June 2020 Interest	30 June 2019 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 2020. The information presented here has been prepared using consistent accounting policies as detailed in the relevant notes of this report.

	2020 $'000	2019 $'000
Current assets	13,994	1,462
Non-current assets	128,189	81,589
Total Assets	**142,183**	**83,051**
Current liabilities	(5,973)	(20,828)
Non-current liabilities	(72)	(46)
Total Liabilities	**(6,045)**	**(20,874)**
Issued capital	236,866	175,285
Reserves	6,177	5,646
Accumulated losses	(106,905)	(118,754)
Total Equity	**136,138**	**62,177**
Total Comprehensive Profit/(Loss) of the Parent	**11,849**	**(93,317)**

There are no contingent liabilities of the parent entity as at the reporting date.

32. COMMITMENTS

Operating Leases

Current year operating lease expenses are nil, following the adoption of AASB 16 'Leases'. Refer to Note 1 for details around this change in accounting policy.

	Consolidated	
	2020 $'000	2019 $'000
Not longer than one year	-	2,274
Longer than one year, but not longer than five years	-	3,588
Longer than five years	-	-
Total	**-**	**5,862**

32. Commitments (continued)

Finance Leases

The Group holds finance leases for the acquisition of motor vehicles. The agreements incorporate a fixed rate between of 2% and 12% (2019: 2% and 5%), monthly repayments and expiry dates between June 2020 and June 2023.

	Consolidated	
	2020 $'000	2019 $'000
Not longer than one year	168	150
Longer than one year, but not longer than five years	105	150
Longer than five years	20	57
Total	**293**	**357**

Contractual Commitments

On 6 January 2020, the Group re-negotiated its agreement with Synergy for the supply of gas to the Matilda-Wiluna Gold Operation. In addition, during FY19 the Group entered into a new gas supply contract with Kufpec Australia Pty Ltd. 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 2020, at the current contract price, the Group had commitments to purchase gas for the remaining term of A$1,379,000 (2019: A$1,040,000).

During FY19, 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 2021 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 2020, at the current contract prices, the Group had commitments for the use of the pipeline for the remaining term of A$710,000 (2019: A$2,273,000).

	Consolidated	
	2020 $'000	2019 $'000
Not longer than one year	1,627	2,521
Longer than one year, but not longer than five years	462	756
Longer than five years	-	-
Total	**2,089**	**3,277**

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 2020, the Company had 4,613 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).

33. CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities

As part of the sale and purchase agreement of the Wiluna Gold Project from Apex Minerals NL (Receivers and Managers Appointed)(In Liquidation) and Apex Gold Pty Ltd (Receivers and Managers Appointed)(In Liquidation), the following deferred consideration contingent liability existed at 30 June 2020;

- A$260,000 in cash (or shares at Wiluna Mining's election) on production of 100,000 ounces of gold from the Wiluna tenements.

The deferred consideration was paid on 5 August 2020 by the issue of 186,366 Company shares. The contingent liability was then extinguished.

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;

- A$500,000 in cash and incurred Exploration expenditure of not less than A$5 million on exclusive right to earn 35% participant interest on the project by A-Cap Resources Limited (Second Earn in Interest); and,
- A$1 million in cash and issuing A-Cap Resources Limited' shares equal to A$1.5 million on exclusive right to earn 20% participant interest on the project by A-Cap Resources Limited (Third Earn in Interest).

In addition, as part of the agreement for the sale of Calcine Tailings between Wiluna Operations Pty Ltd and Kesli Chemicals Pty Ltd which occurred on 4 November 2019, the following contingent assets exist;

- A$1,000,000 in cash as final consideration, upon the buyer's election to remove the remaining Calcine Tailings from Wiluna Mining's site, which must occur at or prior to 18 months from the settlement date.

34. AUDITOR'S REMUNERATION

	Consolidated	
	2020 $'000	2019 $'000
Audit Services – RSM Australia Partners		
- Auditing or reviewing the Financial Report	137	128
- Other services	3	-
Total	**140**	**128**

35. SUBSEQUENT EVENTS

Debt Financing

On 14 August 2020, Wiluna Mining announced that all documentation concerning the gold prepaid swap financing facility and gold hedging facility provided by Mercuria Energy Trading Pte Ltd had been completed. The Company has executed the prepaid swap and the hedging transactions. The A$21 million prepaid swap proceeds (Tranche 1) will be repaid in full by delivering 699oz of gold per month over 12 months, totaling 8,388oz.
The facility gives Wiluna Mining the flexibility of drawing a further A$40 million (Tranche 2), subject to Mercuria credit approval, to further advance the Stage 1 Expansion.

Wiluna Mining's favorable, ongoing hedging facility with Mercuria will see 34,000oz sold at an average price of A$2,674/oz, which is net of transaction costs, maturing over the next 12 months.

Apex Gold Share Issue

On 5 August 2020, Wiluna Mining announced the issue of 186,366 shares to RF Capital Pty Ltd pursuant to a deferred consideration payment of A$260,000 relating to the Company's initial acquisition of the Wiluna Gold Project.

The milestone achieved to trigger the deferred consideration, which is the final such performance milestone pursuant to the terms of the sale and purchase agreement, was the production hurdle of 100,000 ounces of gold derived from the prescribed Wiluna tenements, which was achieved in July 2020. The shares were issued at the 30-day VWAP as at 3 August 2020 which was A$1.395.

COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apart from the above, 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.

ADDITIONAL INFORMATION

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 2020 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 2020.

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
Executive Chair
Perth, 28 August 2020

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 2020, 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 2020 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.

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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 to the financial statements	
At 30 June 2020, the Group held mine properties with a carrying value of $96.3 million. This asset balance is considered a key audit matter due to the significant judgment involved in determining the appropriate accounting treatment. Areas of judgment 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 over the life of mine.	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 model and the mine reserve estimate, including the competency and objectivity of the expert; • Testing the mathematical accuracy of the rates applied; • Reviewing management's assessment that the technical feasibility and commercial viability of extracting a mineral resource was demonstrable, and that the existing exploration and evaluation asset should be 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 (continued)

Adoption of AASB 16 *Leases* - Refer to Note 20 and basis of preparation to the financial statements	
The Group adopted AASB 16 *Leases* on 1 July 2019, using the modified retrospective approach, which has resulted in changes to accounting policies. Under this approach, comparatives are not restated. Instead, the reclassifications and adjustments arising from the new leasing rules are recognised in the statement of financial position on 1 July 2019. At 30 June 2020, the Group recognised in the statement of financial position a right of use asset amounting to $9.8 million and an associated lease liability of $10.4 million. We determined the adoption of this standard to be key audit matter because of: • The complexity of the standard and significant of the differences to the previous standard; and • The extent of judgement required in determining the inputs into the calculations of the lease liability and right of use asset, including the applicable discount rate and the likelihood of exercise of options to extend or terminate the lease.	Our audit procedures included: • Obtaining an understanding of the processes undertaken and controls implemented in adopting the standard, including the transitional decisions made and practical expedients selected on adoption; • Reviewing the lease contracts identified by the Group and ensuring lease and non-lease components have been identified appropriately and allocation of the consideration in the contracts across lease components and non-lease components; • Corroborating key inputs, including the inception date, commencement date and initial contract expense to underlying lease documentation in relation to those contracts identified as a lease; • Critically evaluating the key assumptions made in the judgemental inputs, including the likelihood of exercise of options to extend and the discount rate used for calculation of the lease liability; • Verifying the mathematical accuracy of the underlying model; and • Assessing the adequacy of the disclosures in the financial statements.

Independent Auditor's Report (continued)

Inventory valuation and existence (ore stockpiles and gold in circuit) - Refer to Note 25 to the financial statements	
The Group has inventories consisting mainly of gold bullion, gold in circuit and ore stockpiles. The carrying value of these inventories is $12 million as at 30 June 2020. The valuation and existence of these inventories are considered a key audit matter due to their significant balance on the statement of financial position and the significant judgments made by management to determine the appropriate carrying value at the reporting date. The significant judgements were: • Valuation of inventories is based on an inventory costing model developed by management taking into consideration direct costs (cash and non-cash) incurred at different stages of the production process; • The estimated quantity of gold contained within the ore stockpiles; • The estimated processing costs of the ore stockpiles; and • The estimated quantity of ore stockpiles based on the survey result of the management expert.	Our audit procedures included: • Reviewing and assessing the methodology and key assumptions in the Group's inventory costing model and agreeing key inputs to supporting information. This included an assessment of the work performed by the management expert in respect of the ore stockpiles quantity, including the competency and objectivity of the expert; • Critically assessing and evaluating management's assessment of net realisable value; • Performing analytical review on cost per ton and obtaining explanation from management for any significant variance; and • Assessing the adequacy of the disclosures in the financial statements.

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 2020, 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 (continued)

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 2020.

In our opinion, the Remuneration Report of Wiluna Mining Corporation Limited, for the year ended 30 June 2020, 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: 28 August 2020

ASX Additional Shareholder Information

Distribution of Members

The distribution of members and their holdings of equity securities in the Company.

Number Held as at 27 August 2020	Fully Paid Ordinary Shares	%
1 – 1,000	1,062,740	1.06
1,001 – 5,000	3,214,783	3.20
5,001 – 10,000	2,754,128	2.74
10,001 – 100,000	13,292,496	13.23
100,001 and over	80,145,921	79.77
Totals	**100,470,068**	**100**

The number of holders with less than a marketable parcel of fully paid ordinary shares is 284,352.

Substantial Shareholders

Substantial shareholders as at 27 August 2020.

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT AND ITS AFFILIATES	33,248,019	33.48
FRANKLIN RESOURCE, INC. AND ITS AFFILIATES	6,000,000	5.98
UBS GROUP AG AND ITS RELATED BODIES CORPORATE	5,733,764	5.77

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 27 August 2020.

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	19,668,823	19.58
SPARTA AG	8,000,000	7.96
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,290,469	7.26
BRISPOT NOMINEES PTY LTD	5,838,942	5.81
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,333,934	5.31
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	4,911,112	4.89
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	4,212,646	4.19
CITICORP NOMINEES PTY LIMITED	3,950,419	3.93
MR SIMON CATT	2,013,661	2.00
MR ALBRECHT VON WITZLEBEN	2,000,000	1.99
MR VEIT PAAS	1,549,083	1.54
BNP PARIBAS NOMINEES PTY LTD	1,121,946	1.12
MR MILAN JERKOVIC	971,581	0.97
TAYLOR FAMILY INVESTMENTS PTY LTD	700,000	0.70
MR STEPHEN PAUL OGDEN	700,000	0.70
ARLINGTON PARTNERS FUND LTD	663,460	0.66
DELPHI UNTERNEHMENBERATUNG	553,974	0.55
MR RICHARD ARTHUR LOCKWOOD	450,000	0.45
MRS YANA DOUBINSKI	420,000	0.42
BNP PARIBAS NOMS PTY LTD	399,408	0.40
MR CLAUDE CAINERO & MR HAK HAU KWOK	385,576	0.38
Total	**71,135,034**	**70.80**

Restricted Securities

The Company has no restricted securities.

Twenty Largest Option Holders

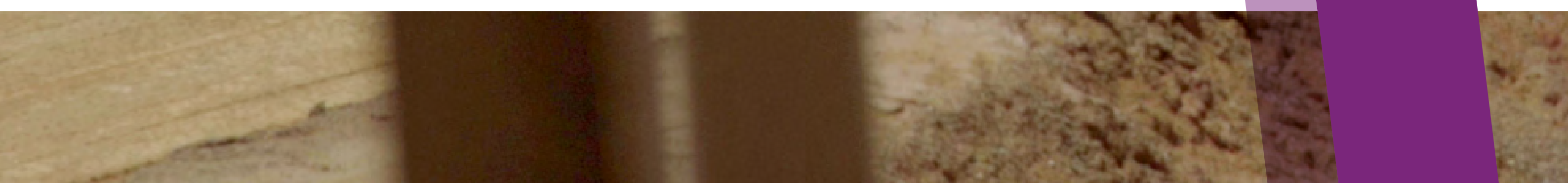
The names of the twenty largest listed option holders at 27 August 2020.

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
MACA LIMITED	1,288,028	19.12
TAYLOR FAMILY INVESTMENTS PTY LTD	800,000	11.88
BERNE NO 132 NOMINEES PTY LTD	500,000	7.42
ZENIX NOMINEES PTY LTD	500,000	7.42
LIND ASSET MANAGEMENT XIV, LLC	429,343	6.37
MR ADAM ANTHONY MIOCEVICH	274,250	4.07
MR MILAN JERKOVIC	192,431	2.86
BINKARRA PTY LTD	150,000	2.23
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	125,091	1.86
PATHOLD NO 77 PTY LTD	115,929	1.72
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	103,043	1.53
MR ROBERT HALL	100,000	1.48
VINGO HOLDINGS LTD	85,869	1.27
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	67,740	1.01
ROSS SUTHERLAND PROPERTIES PTY LTD	65,250	0.97
CITICORP NOMINEES PTY LIMITED	61,216	0.91
AJAVA HOLDINGS PTY LTD	61,044	0.91
DR BIJU THOMAS	47,990	0.71
SPACEFACE PTY LIMITED	41,057	0.61
BENRIE PTY LTD	40,000	0.59
MR CHE-WING FRANCIS LO	40,000	0.59
MR BIJU THOMAS	38,693	0.57
Total	**5,126,974**	**76.11**

Unlisted Options

The unlisted options on issue at 27 August 2020.

Grant Date	Number of Options Held
5 December 2018 – Lind Asset Management XIV, LLC	720,000
11 May 2018	120,187
5 July 2019	729,612
26 August 2019	137,748
10 July 2020	811,985



WILUNA MINING

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