

30 June 2023



Wiluna Mining Corporation Ltd & Ors (All Administrators Appointed) (“the Companies”)

Report to creditors – section 75-225 of the Insolvency Practice
Rules (Corporations) 2016

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1. About this report: a guide for creditors

1.1. Purpose of this report

- We are required to prepare this report under the Corporations Act 2001 (the “**Act**”) and provide creditors with information about the Companies’ business, property, affairs and financial circumstances.
- The Companies included within this group are:
 - Wiluna Mining Corporation Limited ACN 119 887 606 (ASX: WMC) (“**WMC**”)
 - Wiluna Operations Pty Ltd ACN 166 954 525 (“**WOPL**”)
 - Wiluna Gold Pty Ltd ACN 153 919 549 (“**Wiluna Gold**”)
 - Kimba Resources Pty Ltd ACN 106 123 951 (“**Kimba**” or “**Kimba Resources**”)
 - Zanthus Energy Pty Ltd ACN 129 728 374 (“**Zanthus**” or “**Zanthus Energy**”)
 - Lignite Pty Ltd ACN 128 111 204 (“**Lignite**”)
 - Scaddan Energy Pty Ltd ACN 128 388 634 (“**Scaddan**” or “**Scaddan Energy**”)(All Administrators Appointed) (collectively “**Wiluna**” or “**Companies**”)
- This report contains the information we are required by law to include, plus other information considered materially relevant to creditors to enable them to make an informed decision about the Companies’ future.
- This report and its attachments contain details about the forthcoming concurrent second meeting of creditors to be held at **10:00AM (AWST) on Friday, 7 July 2023 using virtual meeting facilities (“Meeting”)** and our opinion and recommendation about the future of the Companies’ and what is considered to be in the creditors’ interests. Creditors are required to decide whether:
 - the Companies should execute a deed of company arrangement (“**DOCA**”), or
 - the voluntary administration of the Companies (“**Voluntary Administration**” or “**Administration**”) should end, or
 - the Companies should be wound up.
- Alternatively, creditors can vote to adjourn the meeting for up to 45 business days to allow more time to make their decision.
- All details, forms and instructions relating to the meeting have been included in the Circular to Creditors dated 30 June 2023. A copy of the notice of the Meeting is provided at **Appendix 12**.

1.2. Key messages and recommendations

- Michael Ryan, Kate Warwick, Ian Francis and Daniel Woodhouse were appointed as Voluntary Administrators of the Companies ("**Voluntary Administrators**" or "**Administrators**") on 20 July 2022.
- Our preliminary investigations indicate that the Companies were likely insolvent from at least 30 April 2022 and remained so until the time of our appointment.
- Our investigations also indicate there may be transactions and director breach claims which a liquidator could pursue and may result in recoveries for the benefit of creditors.
- **A DOCA is being proposed and is summarised at section 7.**
- **Our opinion is that it is in the creditors' best interest to accept the DOCA proposal.**
- Section 2.2 of this report summarises the items considered to be the most important for creditors.

1.3. Questions and help

Please contact our office on (08) 9321 8533 or by email at wiluna@fticonsulting.com if you are unsure about any of the matters raised in this report or the impact that any decision about the Companies' future may have on you.

Our postal address is:

Wiluna Mining Corporation Limited & Ors (All Administrators Appointed)
c/- FTI Consulting
Level 47, Central Park
152-158 St. Georges Terrace
PERTH WA 6000

2. Key messages

2.1. Overview of administration strategy

Administrators' strategy and major actions

Strategy & trading	Continued mining and processing operations of the Wiluna Gold Mine within the constraints of needing to minimise cash losses and in pursuit of a sale and/or recapitalisation of the business	Planning and engaging with key stakeholders, including Management, the secured lender (Mercuria), other key stakeholders and key suppliers	Conducted a campaign to sell the business and/or recapitalise the Companies via our appointed advisor, amicaa Advisors Pty Ltd ("amicaa")	Suspended the sale and/or recapitalisation process	Planned, revised and implemented a care and maintenance strategy for the underground mining operations of the Wiluna Gold Mine, whilst continuing processing activities, including reprocessing of dump leach stockpile and historical tailings material
Statutory matters & investigations	Attended to all required statutory obligations and requirements	Undertook preliminary investigations into the performance and position of the Companies leading up to our appointment on 20 July 2022, including the May 2022 capital raise	Formed preliminary opinion of existence of voidable transactions and other potential claims or breaches of the Act	Formed a preliminary opinion on the likely date of insolvency and events leading up to insolvency	- Applied to Court for three (3) extensions of the convening period to hold the Second Meeting of Creditors - Applied to Court for approval for the early payment of pre-appointment employee entitlements

Stakeholders	■ Engaged with employees, customers, trade suppliers and shareholders ■ Prepared various circulars and correspondence to employees, creditors and suppliers	■ Facilitated first meeting of creditors ■ Held three (3) meetings of the Committee of Inspection for WMC and WOPL	■ Engaged with regulatory authorities, including ASIC, ASX and ATO	■ Calculated outstanding employee entitlements for current and former employees	■ Prepared this report pursuant to section 75-225 of the Insolvency Practice Rules (Corporations) 2016 ("IPR")
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2.2. Key messages for creditors

Set out below is a summary of the key messages and recommendations detailed in this report. Please read this summary in conjunction with the remainder of the report including the terms of reference contained in **Appendix 1** and any other attachments.

Key areas	Commentary	Analysis
Explanations for the Companies' difficulties	Our investigations have identified the following reasons for Wiluna's failure: ■ actual gold grade mined was materially lower than the estimated gold grade materially impacting revenue; ■ method of processing ore mined (i.e. only to a concentrate stage) reduced sales receipts by approximately 15% compared to processing to a higher level of purity by producing gold doré on site; ■ although it was Wiluna's long-term goal to produce doré on site by investing in new processing equipment, the combination of the lower than expected grade and the opportunity cost of lower receipts from gold concentrate sales led to trading losses; ■ trading difficulties, including worldwide shipping constraints on delivering gold concentrate to offtakers, which caused Wiluna's liquidity issues; ■ labour shortages caused by the Coronavirus disease 2019 pandemic ("COVID-19"); and ■ the May 2022 capital raise raised insufficient funds to address working capital issues.	Section 4.9

Key areas	Commentary	Analysis
Administrators' actions and strategy	Our actions and strategy for the Administration have been to: ■ establish an in-depth understanding of the business and allow continued mining and processing at the Wiluna Gold Mine whilst simultaneously preparing for and refining care and maintenance scenarios and implementing same; ■ ensure clear and consistent communication with key stakeholders, including Management, Mercuria as the secured lender, Byrnes Australia Pty Ltd ("Byrnes") as underground mining contractor, employees and customers regarding the ongoing trade of the business and sale/recapitalisation process; and ■ engage in a campaign for the sale of Wiluna's assets and business and/or recapitalisation.	Section 5
Estimated date of insolvency	Our preliminary view is that the Companies were likely insolvent from at least 30 April 2022 and remained so up until the time of our appointment on 20 July 2022. Further investigation is required in relation to the impact of the May 2022 capital raise and resulting impact on solvency.	Section 6.2
Liability for insolvent trading	Based on the estimated date of insolvency and the potential defences available, including safe harbour protection from the middle of May 2022, there is unlikely to be a possibility of any successful claim for insolvent trading against the Directors. Further investigations into the date of insolvency, potential liability for insolvent trading, and the Directors ability to meet an insolvent trading claim, would be required to be undertaken if Wiluna is placed into liquidation.	Section 6.2.4
Voidable transactions and offences	We consider there may be transactions a liquidator could pursue which might result in property or money being recovered for the benefit of creditors. These include potential unfair preference payments totalling \$37.9 million which are subject to further investigation but may otherwise be limited to only \$1.2 million should a running account defence exist, which based on preliminary investigations appears to be the case. A further investigation would involve reviewing each creditor's physical invoices and statements.	Section 6.4
Offences by directors	Based on our investigations to date, the Companies had likely traded whilst insolvent and therefore the Directors may have committed a breach of section 588G of the Act. The Directors may however have a reasonable defence, and may be able to rely on the safe harbour provisions pursuant to section 588GA of the Act. There may have also been breaches by one or more of the Directors of: ■ Section 180 – care and diligence; ■ Section 728 – misstatement in, or omission from, disclosure statement; and ■ Section 1041E – false or misleading statements.	Section 6.5

Key areas	Commentary	Analysis																																	
Proposal for a deed of company arrangement	The proposed DOCA provides for the creation of a creditors’ trust and a way forward for Participating Creditors (i.e. unsecured creditors) to receive a small upfront payment in priority to secured creditors and participate in future cashflows, up to a cap of \$39 million, generated by Wiluna should it be successfully recapitalised.	Section 7																																	
Estimated return to creditors	The estimates shown below are based on information presently available, and are our view of the Companies’ estimated realisable value of assets and estimated claims of creditors: <table><thead><tr><th rowspan="2">Creditor</th><th rowspan="2">WMC</th><th colspan="3">Liquidation</th><th colspan="2">DOCA</th></tr><tr><th>WOPL</th><th>Subsidiaries</th><th>Est. Timing</th><th>Return</th><th>Est. Timing</th></tr></thead><tbody><tr><td>Secured Creditors</td><td>~1-2 c/\$</td><td>~31-79 c/\$</td><td>~3-8 c/\$</td><td>3-6 months</td><td>See notes</td><td></td></tr><tr><td>Employee Creditors</td><td>See notes</td><td>See notes</td><td>N/A</td><td>See notes</td><td>See notes</td><td></td></tr><tr><td>Unsecured Creditors</td><td>~ 0-4 c/\$</td><td>0-~0.2 c/\$</td><td>N/A</td><td>2 years</td><td>~5 c/\$</td><td>~ 3 months</td></tr></tbody></table> In a DOCA scenario, unsecured creditors are anticipated to receive a dividend of approximately 5 cents in the dollar and participate in future cashflows, up to a cap of \$39 million, generated by Wiluna should it be successfully recapitalised. In a Liquidation scenario, we estimate the following returns: - Mercuria is anticipated to suffer a shortfall on its secured debt; - priority employee claims have been or otherwise anticipated to be paid in full; and - in the absence of voidable transaction recoveries, unsecured creditors are unlikely to receive a return. Note in a liquidation scenario, the return to Mercuria and unsecured creditors is dependent on surplus funds available from the value achieved for the mine site, and any other surplus recoveries made.	Creditor	WMC	Liquidation			DOCA		WOPL	Subsidiaries	Est. Timing	Return	Est. Timing	Secured Creditors	~1-2 c/\$	~31-79 c/\$	~3-8 c/\$	3-6 months	See notes		Employee Creditors	See notes	See notes	N/A	See notes	See notes		Unsecured Creditors	~ 0-4 c/\$	0-~0.2 c/\$	N/A	2 years	~5 c/\$	~ 3 months	Section 8
Creditor	WMC			Liquidation			DOCA																												
		WOPL	Subsidiaries	Est. Timing	Return	Est. Timing																													
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Unsecured Creditors	~ 0-4 c/\$	0-~0.2 c/\$	N/A	2 years	~5 c/\$	~ 3 months																													
Remuneration and disbursements	As at the date of this report, we have had our remuneration and disbursements approved by the Committee of Inspection for WMC and WOPL for the period 20 July 2022 to 28 February 2023. Under Div 60 in Schedule 2 of the IPS, the remuneration of the Administrators (and either the Deed Administrators or Liquidators, if appointed) can be fixed at the second meeting of creditors. Details of our proposed remuneration and resolutions are included in our Remuneration Approval Report at Appendix 10.	Section 9																																	

3. Recommendation on the Companies' future

In our opinion it is in the creditors' interests the Companies execute a DOCA in line with the terms proposed. Details about the estimated return to creditors and other information about what creditors can decide at the meeting are provided at section 8 of this report.

Options available to creditors	Option 1: Execute a DOCA	Option 2: Administration end	Option 3: Liquidation
Description	Whether it would be in the creditors' interests for the Companies to execute a DOCA	Whether it would be in the creditors' interests for the administration to end	Whether it would be in the creditors' interests for the Companies to be wound up
Key factors to consider	- Provides the potential for a better outcome to unsecured creditors than a liquidation in that they are to receive a dividend of 5 cents in the dollar - Allows the Companies to continue into existence and continue to operate, albeit on a reduced scale - Retain the value associated with the corporate infrastructure including mining leases and operating licences	The Companies are insolvent with insufficient cash to pay all due debts and no confirmed prospects of obtaining external funding	The proposed DOCA provides the potential for a better outcome for unsecured creditors, whereas a return to unsecured creditors is unlikely in a liquidation and is dependent on there being successful voidable transaction recoveries
Our opinion	In the creditors' interests that the Companies execute a DOCA in line with the terms proposed	Not in the creditors' interests that the administration should end	Not in the creditors' interests that the Companies be wound up
Recommended option	Recommended	Not recommended	Not recommended
Potential to adjourn the meeting to a future date	- Creditors may wish to adjourn the second meeting for up to 45 business days. - It is a matter for creditors to decide if they wish to adjourn the meeting.		

4. Background information

4.1. Appointment of Administrators

- On 20 July 2022, Michael Ryan, Kate Warwick, Ian Francis and Daniel Woodhouse were appointed Joint and Several Administrators in accordance with a resolution passed at a meeting of the Companies' directors pursuant to section 436A of the Act.
- In a voluntary administration, the Administrators take control of a company and its affairs, superseding the powers of the directors and officers to make decisions and perform management functions.
- We also have a duty to investigate the Companies' business, property, affairs and financial circumstances.

4.2. Outcome of the first meeting of creditors

- The first meeting of creditors was held on 1 August 2022 to consider the formation of a Committee of Inspection ("COI") and whether or not to appoint different persons to be the Administrators of each company.
- COIs were formed for WMC and WOPL, but not for the remaining subsidiaries.
- Details of the COIs for WMC and WOPL are shown below.

WMC COI members

Company appointed	Representative
Mercuria Energy Trading Pte Ltd	Anthony Ford
Osisko Bermuda Ltd c/- Norton Rose Fulbright	Jeffrey Black
Byrnecut Australia Pty Ltd	David Lonsdale

WOPL COI members

Company appointed	Representative
Mercuria Energy Trading Pte Ltd	Anthony Ford
Osisko Bermuda Ltd c/- Norton Rose Fulbright	Jeffrey Black
Byrnecut Australia Pty Ltd	David Lonsdale
West Core Drilling Pty Ltd	Scott Eaton
National Jet Express Pty Ltd (T/A Cobham Aviation Services)	Richard Kwan
QUBE Bulk Pty Ltd	Jason Thomas
Iron Mine Contracting Pty Ltd	Greg Argent
Electricity Generation and Retail Corporation (T/A Synergy)	Graeme Ross

- No resolution was proposed to appoint different Administrators to Wiluna.

4.3. Administrator's prior involvement and independence

- In accordance with section 436DA of the Act, we provided a Declaration of independence, relevant relationships and indemnities ("DIRRI") with our first communication to creditors. This DIRRI included the circumstances that led to our appointment as Administrators.
- A copy of our DIRRI was tabled at the first meeting of creditors held on 1 August 2022.
- A replacement DIRRI was subsequently prepared by the Administrators and circulated to creditors on 11 November 2022. It was also tabled to the Committee of Inspection at the Second COI meeting held on 17 November 2022.
- A further replacement DIRRI was filed with ASIC on 15 March 2023 disclosing the circumstances of WMC engaging FTI Consulting on 13 July 2022 to review Wiluna's short term cash flow model, which was inadvertently omitted from the DIRRI. FTI Consulting did not invoice or receive any payment from the 13 July 2022 engagement and Wiluna was placed into Administration shortly thereafter. A copy of this replacement DIRRI was tabled to the COI at the third COI meeting held on 21 March 2023 and is provided at **Appendix 7**.
- A copy of our original and replacement DIRRIs are otherwise available on FTI Consulting's Creditors Portal <https://www.fticonsulting.com/creditors/wiluna-group>.

4.4. Extensions of the convening period

- Section 439A of the Act requires an administrator to hold the second meeting of creditors within five (5) days after the end of the 20-business day convening period, unless the convening period is extended by the Court.
- We applied to the Supreme Court of Western Australia for an extension of the convening period to provide sufficient opportunity to explore the recapitalisation or sale of the Companies and/or its business.
- The application was heard on 15 August 2022 and orders were made to extend the convening period to 16 December 2022.
- The extension provided the Administrators with additional time to undertake a thorough campaign for the sale of Wiluna's assets and business or recapitalisation and to substantially progress such negotiations.
- Despite extensive steps taken by the Administrators, it was not possible to obtain a satisfactory binding agreement before 16 December 2022. Accordingly, the Administrators applied for a second extension of the convening period on 9 December 2022. The application was heard on 13 December 2022 and orders were made to further extend the convening period to 16 February 2023. The extension provided the opportunity to further explore the dual track sale and recapitalisation process discussed at section 5.3.
- We engaged in substantial negotiations with key stakeholders of the Companies who expressed meaningful interest and capability in pursuing a restructuring opportunity, subject to being convinced of the long-term viability of the mine. Mining One, our appointed technical advisors, were therefore engaged to deliver a report in the long-term viability of the mine. This is further discussed at section 7.

- We therefore applied to the Court to extend the convening period from 16 February 2023 to 30 June 2023 to implement the revised plan for the sale and recapitalisation process that could not be completed by 16 February 2023 in:
 - obtaining Department of Mines, Industry Relations and Safety (“**DMIRS**”) approval for the tailings retreatment plan;
 - undertaking practical testing of the plant; and
 - receiving the updated mine plan.
- The application was heard on 14 February 2023 and orders were made to extend the convening period to 30 June 2023.
- The Administrators must convene the Second Meeting of Creditors within at any time during, or within the five (5) business days after the end of the convening period, being 30 June 2023.

4.5. Administrators’ announcements on the Australian Securities Exchange

The following announcements were made on the Australian Securities Exchange (“**ASX**”) during the period of the Administration:

Date	Headline
20 June 2022	Trading Halt
21 July 2022	Appointment of Voluntary Administrators
21 July 2022	Suspension from Official Quotation
8 August 2022	First Meeting of Creditors
18 August 2022	Lead Financial Advisor and Extension for Second Creditor Meeting
22 August 2022	Suspension from Official Quotation – Annual Listing Fees
24 October 2022	Quarterly Activities Report – June 2022
19 December 2022	Extension of Time for Second Meeting of Creditors
6 January 2023	Change of Registered Address
15 February 2023	Quarterly Activities Report – September 2022
15 February 2023	Quarterly Activities Report – December 2022
15 February 2023	Extension of Time for Second Meeting of Creditors
1 May 2023	Quarterly Activities Report – March 2022

These announcements are found on the ASX website: <https://www2.asx.com.au/markets/trade-our-cash-market/announcements.wmc>

4.6. Company information and historical performance

Appendix 2 includes statutory information about the Companies.

Appendix 3 provides a summary of the Companies' historical performance and our preliminary analysis and comments about the existence and form of financial statements prepared by the Companies.

There is no deed of cross guarantee amongst the group entities.

We otherwise set out below an overview of the role of each company:

Company	Role
WMC	■ ASX listed company
WOPL	■ Mining and processing operations ■ Holds mining and exploration tenements ■ Owner of plant and equipment
Kimba Resources	■ Holds mining and exploration tenements
Wiluna Gold	■ Holding company of WOPL and Kimba Resources
Scaddan Energy	■ Holding company of Lignite and Zanthus Energy ■ Holds mining and exploration tenements
Lignite	■ Dormant as at Administration
Zanthus Energy	■ Dormant as at Administration

4.7. History of the Companies and events leading to our appointment

- The Wiluna mining properties are located at the northern end of the Western Australian Goldfields approximately 530 kilometres north of Kalgoorlie and 750 kilometres northeast of Perth. The Wiluna mining properties span over 1,600 square kilometres and have been explored and mined since the 1890s under various ownership structures and business plans, including some hiatus periods when the mining properties were in care and maintenance.
- The business plan undertaken prior to the Administration effectively commenced in 2019 under Mr Milan Jerkovic, former Executive Chair, and was funded by a number of capital raisings supported by international and Australian investors which together with debt and working capital invested to grow and develop the mining properties.
- The Wiluna mining operation currently has a mineral resource of 5.5 million ounces, and prior to the Administration, Management had been seeking to reset the mine plan in order to take advantage of the resource endowment. This involved planning development through a staged program to transform Wiluna from a gold producer of free milling ore to a multi-circuit operation to produce more than 200koz gold per year.
- This development was planned to take place in three (3) stages. To date, Stage 1 has been developed, which included development of the floatation plant.
- WOPL is the main trading entity, with mining tenements held by WOPL and Kimba Resources.

- At the time of our appointment, there were approximately 190 head office and mining staff, with labour also supplied by Byrnecut Australia Pty Ltd (“Byrnecut”) as the underground mining contractor of the three underground mines.
- The following sets out the timeline of key events since September 2017 through to events leading up to our appointment in the first half of 2022:

Timing	Key Event
September 2017	Feasibility study revealing open pit reserves of 13Mt @ 1.2 g/t for 931koz and underground reserves of 1.8Mt @ 4.8g/t for 271koz.
Early 2019	Commencing in approximately early 2019 Wiluna began to explore the possibility of developing the Wiluna underground operation, focusing on mining sulphide resources and producing a gold concentrate and then gold doré for sale in three stages.
March 2019	Announcement of \$25.8 million capital raise.
June 2019	MACA Limited extended a working capital facility of up to \$12 million in the form of extended payment terms for the amounts payable to MACA Limited under its mining services contract. The working capital facility was intended to assist with a transition for the Stage 1 Expansion Sulphide Development.
September 2019	Announcement of a \$7 million capital raise.
September 2019	Announced total open pit reserves of 9.75Mt @ 2.5g/t for 785koz plus 2.05Mt @ 1.8g/t for 116koz with respect to the free milling component. Underground ore reserves were reported at 1.78Mt @ 4.8g/t for 273koz plus 0.03Mt @ 4.2g/t for 3koz with respect to the free milling component.
February 2020 to April 2020	Wiluna sought and obtained Board approval for a Sulphide Expansion Project in March 2020, raising \$52m in mid-April 2020.
March 2020	Executed a three-year gold concentrate offtake agreement with Trafigura and Trismegist for 30% and 70% of Wiluna’s gold concentrate respectively.
Mid 2020	Planning for Stage 2 commenced which targeted an expansion of gold production.
August 2020	Executed prepaid swaps and hedging transactions pursuant to a \$21 million (Tranche 1 Facility) with Mercuria.
October 2020	Wiluna’s stated aim was to produce 120koz pa of gold and gold in concentrate, with ramp up commencing in October 2021.
March 2021	Wiluna agreed to a five-year mining alliance with Byrnecut for performance of underground development and production mining services. At this time, Wiluna announced it had commenced a three-year, staged development plan that will enable it to treat all ore types. On conclusion of the staged development plan, it was estimated Wiluna could produce 250koz pa of gold and gold concentrate.
March 2021	Announced a significant Ore Reserve update as Wiluna transitioned from “underground mining and production of gold in doré and concentrate from a new flotation circuit”. Underground ore reserves were reported at 4.33Mt @ 4.74g/t for 661koz of gold, classified as sulphide feed for the Stage 1 flotation plant, and to “underpin a minimum 5-year mine life”. There was a reduction of 756koz of Open Pit Reserves between the 2019 and 2021 reserve statements due to a reduction in the mineral resource estimate and the necessity for substantial capital expenditure.

Timing	Key Event
March 2021	Announcement of \$31 million capital raise to, amongst other things, construct, and commission the Stage 1 concentrator to enable Wiluna to achieve its stated target of producing 120koz pa of gold and gold in concentrate.
May 2021	Mercuria provided credit approval for the Tranche 2 term loan of US\$42 million to fund the Stage 1 expansion as well as providing funding to complete the feasibility study for Stage 2.
June 2021	Tranche 2 facility with Mercuria secured and US\$42 million drawn down.
September 2021	Feasibility study for Stage 2 reported to be completed by Q3 FY 2022.
November 2021	Announcement of a \$53 million capital raise.
December 2021	Announced the Stage 1 concentrator was commissioned forecasting an annual production run rate of 90koz – 100koz of gold contained in concentrate and separately produce approximately 20koz of gold doré. These production rates were targeted to be achieved by June 2022.
February 2022	Announced confirmation of first shipment of gold concentrate to offtake partners.
March 2022	Due to the military action in Ukraine, Wiluna suspended shipments of gold concentrate to its offtaker, Trismegist.
March 2022	Announced ramp-up production of gold concentrate progress with production expecting to be approximately 4koz per month for April and May 2022 before ramping up to 8koz per month by the second half of calendar year 2022, with an additional 1.25koz per month of gold doré from Wiltails commencing in July 2022.
April 2022	Announced updated ore reserve of 36.76Mt @ 1.2g/t for 1.4Moz contained gold including an underground ore reserve at Wiluna increasing by 51% (tonnes) and 31% (ounces) to 6.52Mt @ 4.11g/t for 861.9koz of contained gold.
21 April 2022	Announcement of resignation of Anthony Rechichi as Chief Financial Officer.
May 2022	Directors appointed a safe harbour advisor.
23 May 2022	Capital raise announcement on the ASX seeking to raise \$84 million to address, amongst other things, working capital deficiencies. Total capital committed was however only \$57 million, with \$50 million being received. \$7 million of funds committed were not received.
6 July 2022	Milan Jerkovic resigned as Director. Rowan Johnson was appointed as Interim Non-Executive Chairman and Rob Ryan was appointed as Acting Chief Operations Officer.
12 July 2022	Mike Monaghan appointed as Acting Chief Executive Officer.
19 July 2022	Board meeting held in which a revised cash flow was presented noting a further \$21 million was required to normalise creditor payment terms.
20 July 2022	ASX announced a trading halt.
20 July 2022	It was resolved that Wiluna is insolvent or is likely to become insolvent at some future time and Kate Warwick, Michael Ryan, Ian Francis and Daniel Woodhouse were appointed as Joint and Several Voluntary Administrators of the Companies.

4.8. Directors' explanation for the Companies' difficulties

4.8.1. Directors' explanation

Wiluna's Directors have indicated that the current circumstances faced by the Companies are a result of the following key factors:

- there was a material variance between the committed funds as per the book build for the May 2022 capital raise and funds actually received, such that the capital raising was approximately \$21 million lower than anticipated;
- cash flow forecasts were "overly optimistic" and did not adequately address Wiluna's cash and creditor position, resulting in a further cash requirement of approximately \$21 million not previously known; and
- changes to prepayment arrangements of gold concentrate with key offtakers and worldwide shipping constraints exacerbated Wiluna's working capital deficiencies.

4.8.2. Former directors' explanation

To assist us in investigating the affairs of the Companies, we wrote to Mr Jerkovic requesting he answer a number of questions relating to the affairs of the Companies. The information requested Mr Jerkovic to provide his understanding as to why Wiluna was not able to continue as a going concern shortly after the capital raising despite having successfully raised the minimum subscription amount of \$50 million, and for Mr Jerkovic to explain the Companies' financial difficulties.

Mr Jerkovic responded as follows:

- he could not explain why Wiluna was not able to continue as a going concern shortly following the capital raising despite having successfully raised the minimum subscription amount of \$50 million as he was not part of the decision to appoint voluntary administrators, nor was he an employee or a director of Wiluna at the relevant time;
- it was his view at the point of leaving Wiluna that the \$50 million raised was sufficient to set Wiluna on a viable course to profitability based on Wiluna's business plan;
- based on the knowledge and information available to him at the point of leaving Wiluna, he would not have agreed to there being a justifiable basis to appoint voluntary administrators to Wiluna; and
- his expectation at the time of the capital raising was that Wiluna was able to deliver the operational performance that 'underlay' the information provided in the Prospectus. He continued that the significant improvement in production, based on the summary of the September 2022 Quarter results provided in Wiluna's announcement dated 24 October 2022, was made without any contribution from Wiltails and despite material adverse circumstances brought on by Wiluna having been put into voluntary administration.

4.9. Administrators' observations of the Companies' difficulties

From our investigations to date, we largely concur with the Directors' stated reasons for Wiluna's failure and note the following:

- Wiluna had appointed new management prior to the Administration, which had been seeking to reset the mine plan to take advantage of the 5.5 million ounce gold resource reported at the Wiluna operations;
- due to the impact of increasing cost pressures, tightening terms of creditor payments, the impact of COVID-19 on staff availability, project ramp up issues and worldwide shipping constraints, there was insufficient working capital to bridge the project to complete the development of the reset mine plan;
- Wiluna conducted a capital raise in May 2022; however, it did not sufficiently address working capital deficiencies and part of the subscription was not paid. This shortfall added to Wiluna's liquidity issues. The May 2022 capital raise and shortfall are discussed in further detail at section 6.3;
- actual gold grade mined was materially lower than the estimated gold grade prior to the commencement of Stage 1 of the Sulphide Expansion Project (i.e., underground ore reserve gold grade as of April 2022 declined by approximately 14%) which materially impacted Wiluna's revenue;
- method of processing ore mined i.e. only to a concentrate stage reduced sales receipts by approximately 15% compared to processing to a higher level of purity by producing gold doré on site;
- although it was Wiluna's long-term goal to produce doré on site by investing in new processing equipment, the combination of the lower-than-expected grade and the opportunity cost of lower receipts from gold concentrate sales led to trading losses;
- although Wiluna had investigated options to address the cash flow shortfall, through obtaining financial accommodation from creditors and shareholders, it became apparent those options would not successfully address the cash flow shortfall in the time available; and
- consequently, the Directors appointed the Administrators.

4.10. Opinion about books and records

Section 286(1) of the Act requires a company to keep written financial records that correctly record and explain its transactions and financial position and performance and would enable true and fair financial statements to be prepared and audited.

In considering compliance with this section, since our appointment we have:

- reviewed various financial reports to help us understand the Companies' asset and liability positions;
- reviewed various correspondence files and documents relevant to the Companies' financial position and performance of the Companies;
- undertaken investigations and reviews incorporating financial records and data;
- discussed the Companies' finance function, processes and record keeping practices with its Directors and Management.

In our view, as at the date of our appointment the financial records of the Companies appear to have been maintained in accordance with section 286 of the Act.

4.11. Outstanding winding up applications

Based on searches performed at the time of our appointment, no winding up applications appear to have been lodged with a Court against any of the Companies.

5. Strategy and financial position

5.1. Actions and strategy to date

We initially worked to stabilise and assess the operations and determined that continuing to trade the Wiluna Gold Mine would achieve a better value outcome for all stakeholders than immediately placing the Mine on care and maintenance.

5.1.1. Trading

- Engaged with and gained support of the trade-on strategy from the secured lender, Mercuria, Byrnes, and many other key suppliers immediately following our appointment, which enabled mining and processing operations to continue. Regular engagement with key stakeholders has continued throughout the Administration.
- Notified all suppliers and applicable statutory bodies of our appointment, including opening new accounts with suppliers as required for ongoing trade during the Administration.
- Implemented trading protocols and a purchase order system with head office and site management.
- Communicated extensively with suppliers concerning supply, purchase orders and account balances.
- Secured ongoing sales of gold concentrate from offtakers and gold doré with ABC Refinery.
- Engaged with our insurance broker (Arthur J Gallagher) immediately following appointment and arranged premium renewals, thereby securing ongoing insurance cover for continued trading for the Administration period. Continual liaison with Arthur J Gallagher since appointment.
- Obtained a WH&S assessment and provided these to management to maintain WH&S compliance.
- Prepared cash flow forecasts for continued trading and modelled various potential care and maintenance scenarios for the Wiluna Gold Mine.
- Continued to pay royalties, including outstanding pre-appointment royalties, to DMIRS to maintain good standing of the mining lease and all tenements.

5.1.2. Initial assessment of future trading

- Immediately following our appointment, we met with Management and our appointed technical advisors, Mining One, to assess the potential to continue trading the Mine given the significant value recovery benefits that such a strategy could convey.
- Potential care and maintenance scenarios were prepared as an alternative to trading, including an interim three-month cash flow forecast.
- We performed a preliminary assessment which indicated the Wiluna Gold Mine could continue to operate at breakeven, or near breakeven, thereby preserving business value for the sale and recapitalisation process (discussed at section 5.3), given:
 - the benefit of creditor payment relief provided by the moratorium upon the commencement of the Administration;

- an orderly wind down of operations would result in ceasing production and possibly create difficulty in realising the full value of the gold in concentrate;
 - any immediate care and maintenance scenario, including an orderly wind down, would be costly and complex to secure and preserve the Wiluna Gold Mine site, with preliminary assessments estimating trading losses in a six-month scenario; and
 - preserving employment, including key staff, was critical to the ongoing trading and ability to attract parties interested in either acquisition or recapitalisation of Wiluna.
- External funding, including from Mercuria, was not required to support ongoing trading.

5.1.3. Initial trading strategy

- Wiluna had offtake agreements with Trafigura and Trismegist for the gold in concentrate as at the date of the appointment, with ongoing supply secured during the Administration.
- As outlined below at Section 5.1.4, underground mining operations were suspended from 14 December 2022 with the remaining stockpiles of gold in concentrate shipped and sold to Trafigura and Trismegist during the March 2023 quarter.
- Gold doré has continued to be produced from low grade stockpiles and retreatment of historical tailing material during the Administration since suspension of underground mining operations.

5.1.4. Trading strategy from 14 December 2022

- As outlined above, we continued to operate the mine on a “business as usual” basis whilst reviewing operating and recapitalisation options.
- During this time, in consultation with Management and Mining One, potential care and maintenance (“C&M”) scenarios as an alternative to trading were prepared and refined with the primary focus of retreating tailings.
- Mining operations were wound down from 14 December 2022, with mining contractor Byrnes cut demobilised from site and the underground mine placed on care and maintenance. Dewatering systems and access to the underground is being maintained to protect the value of the underground workings and facilitate the restart of operations as required in the future.
- Processing of low grade stockpiles subsequently proceeded and concluded in late February 2023. As noted above, remaining stockpiles of gold in concentrate were shipped and sold during the March 2023 quarter.
- In February 2023, Wiluna received approval from DMIRS to commence re-processing of tailings from its Western Cell Tailings Storage Facility (“TSF”). Tailings reprocessing began in March 2023 and the processing plant is expected to be capable of operating at a rate of 1.8 Mt per annum and provide approximately 12-18 months of ore feed. The Companies are in the process of seeking further approvals to process additional tails material from further TSFs at the Wiluna Gold Mine.
- Tails material has been processed pursuant to the Western Cell TSF approval between 1 March 2023 and 31 May 2023 through the crushing circuit (being used on a temporary test basis).

- From April 2023, works commenced to complete the Wiltails processing unit which was approximately 85% complete at the time of the Voluntary Administration.
- In addition, trials to process an historic stockpile of low grade material that had undergone stockpile leaching in the 1990's has been undertaken ("**Dump Leach Stockpile**"). Following this trial, additional processing of this material commenced on 1 June 2023 whilst the Wiltails processing unit is completed and commissioned.
- The aim is to dual feed tailings material through the Wiltails processing unit and Dump Leach Stockpile through the crushing circuit, and thereafter through the CIL circuit.
- These recent activities have demonstrated that the processing of the historical tailings material and the Dump Leach Stockpile as viable trade-on options pending a recommencement of mining.

5.1.5. Results from trading to date

- To date, it has been possible to generate sufficient cash to continue to meet ongoing commitments of operations, and it has also enabled a principal repayment of USD\$1 million to Mercuria on its secured debt, and payment of certain outstanding employee entitlements of approximately A\$1.6m.
- Details of our cash receipts and payments during the Administration are provided at section 9.2.
- Mining, processing, and production results from 1 July 2022 to 31 March 2023 is set out below.

FY23 production summary		Sep 22 qtr	Dec 22 qtr	Mar 23 qtr	Total
Underground					
Waste tonnes mined	T	63,122	3,074	-	66,196
Ore tonnes mined	T	186,181	176,154	-	362,335
Ore grade mined	g/t	4.03	3.91	-	4
Mined ounces	oz	24,017	22,953	-	46,970
Processing					
Total ore tonnes processed	T	196,954	199,868	211,199	608,021
Total gold produced	oz	21,823	20,776	6,209	48,808
Concentrate production					
Concentrate tonnes	T	9,033	7,729	-	16,762
Au oz (rec)	oz	21,119	21,521	-	42,640
Au grade	g/t	73	78	-	75
As Grade	%	7.70%	6.33%	-	7.02%
Bagged	each	5,421	4,640	-	10,061

5.1.6. Employees

- Wrote to all employees advising of their position as creditors of the Companies.
- Addressed employees at head office and at the Wiluna site immediately following the appointment and on an ongoing basis.
- Attended regular management meetings in the early stages of the Administration concerning all operational aspects, continue to attend site management meetings and liaise with management daily regarding continued trading activities.
- Liaised directly with various employees regarding specific issues and queries.
- Reviewed the Companies' records to quantify employee entitlements and notified employees regarding same.
- Attending to various staffing issues including hiring temporary head office staff to address staffing shortages.
- Retention strategies to ensure a skilled and experienced workforce was retained.
- Reduced staff levels following implementation of C&M of the underground mine.
- Obtained orders from the Court authorising us to pay outstanding employee entitlements owing at the commencement of the Administration prior to the upcoming meeting. Payments totalling approximately \$1.6 million to former employees for leave and termination entitlements were paid on 22 June 2023. Payment of \$282,627 for unpaid superannuation guarantee charge ("SGC") was paid on 30 June 2023.
- All current employees continue to be paid their leave entitlements in the ordinary course and there is anticipated to be sufficient assets to cover their entitlements, including for retrenchment (if necessary) going forward.

5.1.7. Court applications - extensions of convening period

- As detailed in section 4.4 of this report, we obtained three (3) extensions to the convening period to 16 December 2022, 16 February 2023 and subsequently to 30 June 2023.
- Copies of the Court orders are available on the FTI Consulting Creditors Portal.
- If any creditors have any questions about the implications of the Court application or would like further information, please contact us.

5.1.8. Investigations

- Conducted and reviewed searches in relation to the Companies and its Directors.
- Obtained relevant books and records of the Companies.
- Organised access to and backup of the server and electronic records of key management and staff.
- Reviewed and analysed the Companies' financial books and records.
- Engaged with key Management in relation to the Companies' historical background, in particular the May 2022 capital raise.

- Tasked Mining One with reviewing the recent history of published resource and reserve statements.
- Reviewed the available books and records and other information concerning the Companies and formed a preliminary view on any potential breaches of the Act or potential voidable transactions where money or property may be recoverable for the benefit of creditors.

5.1.9. Statutory

- Notified applicable statutory and government bodies of our appointment.
- Prepared and issued our Initial Information for Creditors and Suppliers, which included our DIRRI.
- Held the first meeting of creditors of the Companies.
- Prepared and attended to lodgement of required ASIC forms.
- Prepared this report pursuant to section 75-225 of the IPR.
- Prepared and issued a replacement DIRRI.
- *ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251* automatically defers the period for lodgement of Wiluna's audited financial reports and convening the AGM for a minimum period of 6 months and up to 24 months from the date of the Administration. Therefore, audited financial reports for FY2022 have not been prepared nor has the AGM been held.

5.2. Joint Venture Agreement with A-Cap Resources Limited

- A-Cap Resources Limited ("**A-Cap**"), through its wholly owned subsidiary Wilconi Pty Ltd, and Wiluna are participants in an unincorporated joint venture for Wilconi Nickel Cobalt Project ("**Project**") on the terms set out in a joint venture agreement entered in December 2018 ("**JVA**") ("**A-CAP JV**").
- Currently Wiluna holds a 45% participating interest in the A-CAP JV (Wiluna Participating Interest), with A-Cap holding the remaining 55% participating interest (A-CAP's Participating Interest).
- Under the JVA, A-Cap has the right to acquire an additional 20% participating interest in the A-CAP JV following the completion of a definitive feasibility study of the Project. The definitive feasibility study is expected to be complete by April 2024.
- We have, through our corporate advisor amicaa, taken steps to realise Wiluna's Participating Interest in the A-CAP JV, and entered commercial negotiations with A-Cap with regard to same. These commercial negotiations remain ongoing, including investigating options to achieve maximum value for the Project.

5.3. Sale and recapitalisation process

Following our appointment, we pursued a dual track sale and recapitalisation process with a view to maximise value of Wiluna and ancillary assets for all stakeholders. Below is a timeline and overview of key milestones throughout the Transaction Process:

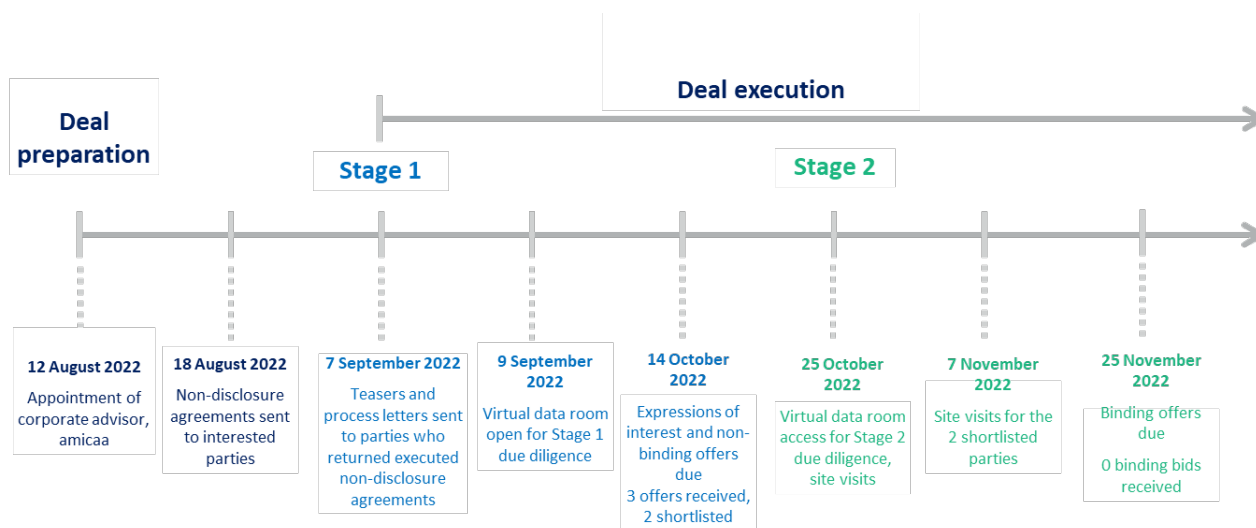
5.3.1. Appointment of corporate advisor

- To assist with various workstreams associated with the sale and recapitalisation process, on 12 August 2022 amicaa was appointed as M&A / financial advisor.

- amicaa has primarily been responsible for introducing interested parties to the process, engagement of such parties, preparation, and oversight of provision of confidential information, and negotiations with interested parties.

5.3.2. Sale campaign

- In close collaboration with amicaa, we initiated an expressions of interest (“EOI”) campaign for the sale and/or recapitalisation of Wiluna from August 2022 to November 2022.
- A summary timeline of key milestones is provided below.



- On commencement of the process, we called for EOI for the sale and/or recapitalisation of Wiluna.
- Following receipt of responses to the EOI, we undertook the following:
 - engaged with more than 50 initial interested parties, including providing details of the sale and/or recapitalisation process, investment flyer, a confidentiality agreement and invited expressions of interest;
 - entered into confidentiality agreements and granted 31 parties access to the virtual dataroom (“VDR”) from 9 September 2022, which contained select Wiluna business and financial information;
 - worked with Wiluna’s Management to collate financial information and data for the VDR;
 - engaged Mining One as technical advisors to perform a conceptual review on the mining inventory within the historical open pits and generate an alternative life of mine (“LOM”) plan. The conceptual review and LOM plan was provided to interested parties;
 - actively responded to interested parties’ queries; and
 - conducted management presentations with interested parties.
- Non-binding indicative offers (“NBIO”) for the sale and/or recapitalisation of Wiluna were due by 14 October 2022. Three (3) interested parties submitted NBIOs for Wiluna’s business assets and we assessed the offers, including considering:
 - potential returns to creditors, including priority employee claims, Mercuria’s claim and unsecured creditors;

- the time to complete each proposed transaction and the operational funding available as part of the offers;
 - the conditions attached to the offers and the ability to satisfy the conditions;
 - the ability of each party to complete the transaction; and
 - other commercial considerations relevant for the ongoing viability of the business.
- Whilst a debt refinancing of Mercuria's secured debt was sought, no substantive offers for the debt refinancing were received to discharge Mercuria's debt as part of this process.
 - After assessing the three (3) NBIOs, and in consultation with amicaa, we shortlisted two (2) parties to provide binding offers with funding certainty by 25 November 2022 ("**Deadline Date**"). Both parties conducted further due diligence during this time, including conducting site visits and meeting key Wiluna staff.
 - Although we received a proposal from each of the shortlisted parties, neither party provided final binding offers.
 - One bidder ("**Bidder 1**") submitted a non-conforming offer (i.e., an offer that did not comply with the Administrators' conditions) substantially below their NBIO. Having regard to the quantum of their offer, its conditions and timing of completion, we determined it was not in the commercial interests of creditors to accept the offer.
 - The other bidder ("**Bidder 2**") failed to submit a binding offer by the Deadline Date but did provide a non-conforming expression of interest that was incomplete and unable to be executed upon. Bidder 2 indicated they may would submit a binding offer by mid-December 2022, following completion of their due diligence. As at the date of this Report, we have not received a binding offer from Bidder 2. Based on discussion with Bidder 2 and their NBIO we considered that any binding offer presented by Bidder 2 would not be in the commercial interests of creditors. Further, we consider all interested parties had sufficient opportunity to perform their due diligence.
 - Due to the commercial sensitivity regarding this process, the details of neither of these offers can be disclosed.
 - Given the sale and/or recapitalisation process did not provide certainty and value for creditors, it was suspended and we have undertaken a process to enhance operational value including by placing the underground mine on care and maintenance, processing the Dump Leach Stockpile, completing construction and commissioning of the Wiltails processing unit, and re-treating tailings material.

5.3.3. Revised transaction process

- As noted above, although we rigorously tested the market and to provide additional context to creditors, the sale and/or recapitalisation process was suspended given interested parties expressed concern over the following key elements:
 - large capital expenditure requirements for a short-term restart of mining operations and construction of a new on-site processing facility;
 - further exploration expenditure required for resource definition;
 - additional studies needed before a go-forward strategy could be confirmed with on-site processing; and

- complexity of the ore body.
- The suspension of the sale and/or recapitalisation process provided the opportunity to:
 - obtain from Mining One a “Value Opportunity Study” of the Wiluna Mine to provide certainty to potential investors and other key stakeholders that Wiluna has a viable mine plan going forward;
 - commence and monitor performance of the tails retreatment process which (as outlined at section 5.1.4) has demonstrated the reprocessing of historical tailings material and the Dump Leach Stockpile as viable trade-on options pending a recommencement of mining; and
 - avoid the value destruction which would result from an immediate winding up of Wiluna.
- The outcome of the Mining One “Value Opportunity Study” was positive in that it identified the following opportunities:
 - in the short term, continue operating tailings reprocessing whilst simultaneously investigating options to increase tailings and oxide throughput with low capital investment;
 - in the medium term, run sulphide ore at 750ktpa with current float and refurbished BIOX plant, along with tailings CIL plant at relatively low capital investment; and
 - in the long term, expand processing and mining to optimum throughput with tailings remining and fresh ore production to doré via BIOX.
- Provided at **Appendix 8** is a summary of the work undertaken by Mining One since the date of the Administration.
- As outlined at Section 5.1.4, to achieve the short term identified opportunities, we have:
 - processed the historic tailings material and Dump Leach Stockpile demonstrating these as viable trade-on options in the immediate term; and
 - commenced works to complete the Wiltails processing unit.
- Further modelling, engineering, studies and ultimately financial investment will be required to deliver on the medium and long-term opportunities, and therefore as Administrators, we have proposed a DOCA to be implemented as part of a broader strategic turnaround involving Wiluna’s key stakeholders to develop a long term financially sustainable solution for Wiluna.
- The next steps of the sale and/or recapitalisation process and the DOCA proposal are discussed in further detail at section 7.

5.4. Companies’ financial position at appointment

5.4.1. Report on Company Activities and Property Part A by the Directors

Immediately after appointment, we requested the Directors of the Companies provide a statement about the Companies’ business, property, affairs and financial circumstances in the form of a Report on Company Activities and Property (“**ROCAP**”).

A ROCAP is comprised of two (2) parts, being:

1. Part A – a form which details the Companies’ assets and liabilities
2. Part B – a questionnaire about the Companies’ history, operations, books and records.

Part A of the ROCAP is lodged with ASIC and is publicly available for viewing, whereas Part B is a confidential document for the use of the Administrators in performing their duties.

We received a ROCAP Part A from all Wiluna directors.

A summary of the ROCAP Part A information is provided at **Appendix 4** along with the Administrators' comments.

5.4.2. Report on Company Activities and Property Part B by the Directors

Immediately after appointment, we requested the Directors complete a questionnaire regarding the Company's history, operations and books and records in the form of a ROCAP Part B.

We have not received a ROCAP Part B from the Directors however they have continued to assist the Administrators with our enquiries.

5.4.3. Related party creditors and claims

In addition to information contained in the ROCAP Parts A, we reviewed the Companies' records (trade creditor listings, financials statements and other available documentation and correspondence) and discussed with the Companies' staff to determine the existence and amount of related party claims.

The table summarises the related party claims that have been identified:

Entity	From							Total
	WMC	WOPL	Wiluna Gold	Kimba	Scadden	Zanthus	Lignite	
WMC		(360,731,980)		(25,677,683)	(7,996,326)	(842,971)	(278)	(395,249,239)
WOPL	360,731,980		(578)	(5,412,195)	(1,308,337)	(78,988)	(2,285)	353,929,598
Wiluna Gold		578						578
Kimba	25,677,683	5,412,195			123,961		(34,066)	31,179,772
Scadden	7,996,326	1,308,337		(123,961)		(617,610)	(33,221)	8,529,872
Zanthus	842,971	78,988			617,609			1,539,569
Lignite	278	2,285		34,066	33,221			69,850
Total	395,249,239	(353,929,598)	(578)	(31,179,772)	(8,529,872)	(1,539,569)	(69,850)	-

We comment as follows:

- It is a common occurrence in corporate groups to operate intercompany loan accounts without formalised loan documentation.
- It appears the genesis of these loans primarily relates to funds raised by WMC in conducting capital raises or otherwise obtained from secured creditor funding to fund the subsidiaries' ongoing trading.
- We consider these liabilities are genuine creditor claims that may be offset against any related entity claim(s) in the relevant administration or for the purposes of Proof of Debt ("POD") adjudication.
- From our review of the loan accounts, it appears the underlying transactions were incurred in the ordinary course of business and hence the intercompany loans are valid and remain outstanding.
- The collectability of these debtors in the event of liquidation would be dependent upon the value of assets held.

- In the event of liquidation, the intercompany creditors would rank as ordinary unsecured creditors in the relevant liquidation that the debt is due. In addition, these creditors are entitled to submit a POD and vote at the second meeting of creditors.
- **In contrast, under the DOCA Proposal (discussed at section 7), the intercompany loans held by each of the Wiluna group entities would be treated as Non-Participating Creditors, meaning they will not rank in the DOCA as unsecured creditors and will therefore continue to remain in existence.**

6. Investigations, offences and voidable transactions

6.1. Overview

6.1.1. Duty to investigate

Section 438A of the Act requires us, as soon as reasonably practicable after the administration begins, to investigate the Companies' business, property, affairs, and financial circumstances and to form an opinion about whether it would be in the interest of the Companies' creditors for:

- the Companies to execute a DOCA;
- the Administration to end; or
- the Companies to be wound up.

Section 75-225(3) of the IPR also requires us to prepare a report which outlines the above investigations and opinions and, among other things, whether there are any transactions that appear to be voidable transactions in respect of which money, property or other benefits may be recovered by a liquidator under Part 5.7B of the Act, should creditors resolve that the Companies be wound up.

6.1.2. Work performed

In the time available to us, we have investigated and made enquiries into the Companies' business, property, affairs and financial circumstances. In this section, we set out our preliminary views and findings about:

- the solvency position of the Companies and any potential claim for insolvent trading (see section 6.2);
- the capital raising conducted by Wiluna in May 2022 (see section 6.3);
- voidable transactions and any charges that may be voidable (see section 6.4); and
- offences that may have been committed by the Companies' Directors (see section 6.5).

We reserve the right to alter our preliminary views and findings should the underlying data prove to be inaccurate or materially change from the date of this report.

6.1.3. Relevance of insolvency and liquidation

The ability for a liquidator to challenge voidable transactions and recover money, property or other benefits for creditors is contingent on two (2) elements:

- the Companies being placed into liquidation; and
- a liquidator being able to establish that the Companies were insolvent at the time they entered any particular transaction, or that the Companies became insolvent as a consequence of that transaction.

6.1.4. Date of insolvency

Our key workings and other analysis in relation to the Companies' solvency position is contained in **Appendix 5**.

Appendix 5 also include general comments and information about recoveries via voidable transactions, insolvent trading, and common indicia of insolvency.

The summary of our findings and views on the Companies' solvency position is outlined in section 6.2 below.

6.1.5. Creditors' information sheet and other explanations

Appendix 6 is an information sheet to assist creditors to understand the potential offences under the Act, recoverable transactions, and insolvent trading.

Creditors should read this information sheet in conjunction with our comments in this section of the report.

6.1.6. Relevance of liquidation versus a DOCA

Voidable transactions and other actions that a liquidator may investigate and pursue are not available if a DOCA is executed.

As a result, creditors must assess the advantages to them in the event of a DOCA (and any benefits that may be available to them in this scenario), compared to the likely return in a liquidation (and any recoveries that may be available if a liquidator is appointed).

To help creditors, where a DOCA is proposed, the estimated return to creditors in section 8 of this report includes a comparison between liquidation and any DOCA and highlight the differences in the estimated recoveries and outcomes.

6.2. Insolvency and liability for insolvent trading

6.2.1. Summary of findings

Our investigations into Wiluna's solvency position were conducted on a consolidated basis due to the nature of Wiluna's operations rather than on an entity-by-entity basis.

Key findings from our investigations into Wiluna's solvency position are summarised as follows:

- in the lead up to the Administration, Wiluna operated at monthly net losses in most months from as early as July 2021, and recorded a total net loss of \$38.2 million for the financial year ended 30 June 2022;
- Wiluna had a current ratio of less than one every month from as early as September 2021 to the Administration date;
- there was an increase in employees raising concerns regarding Wiluna's ability to pay its creditors in April 2022, with concerns being raised from as early as October 2021;
- the Directors noted in the Half Yearly report for FY2022 dated 24 February 2022 a level of inherent uncertainty regarding Wiluna's ability to continue as a going concern. In the same report, Wiluna's auditors noted that material uncertainty exists as to the ability to continue as a going concern;
- from May 2022, there was a significant increase in the prevalence of the usual indicia of commercial insolvency, including that:

- between April 2022 and June 2022, creditor liabilities over 60 days ranged between 31% and 50% which indicates debts were not being paid within trading terms;
 - Wiluna received demands for outstanding invoices from various creditors;
 - Wiluna entered a number of payment plans or revised existing plans with its creditors; and
 - Wiluna failed to pay its May 2022 payroll tax on time despite historically meeting this liability ahead of the payment due date,
- Wiluna historically performed numerous capital raises seeking to raise funds to, amongst other things, address working capital deficiencies, with the most recent capital raise completed in May 2022. This raising only provided Wiluna with temporary liquidity relief; and
 - changes to prepayment arrangements of the gold in concentrate with key offtakers and worldwide shipping constraints exacerbated Wiluna's working capital deficiencies.

6.2.2. Solvency review – indicators of insolvency

Our preliminary analysis of the 14 insolvency indicators identified in *ASIC v Plymin (No 1)*¹ (“**ASIC v Plymin**”) and certain relevant indicators from ASIC Regulatory Guide 217 Duty to Prevent Insolvent Trading: Guide for Directors (“**RG217**”) is summarised below.

<i>ASIC v Plymin (No 1) indicators</i>	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
1) Continuing losses	Y	N	N	Y	Y	Y	Y	Y	Y	N	N	N
2) Liquidity ratio below 1	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
3) Overdue Commonwealth and State taxes	N	N	N	N	N	N	N	N	N	N	Y	Y
4) Poor relationship with present bank, including inability to borrow further funds	IR	IR	IR	IR	IR	IR	IR	IR	IR	IR	IR	IR
5) No access to alternative finance	N	N	N	N	N	N	N	N	N	IR	IR	IR
6) Inability to raise further equity capital	N	N	N	N	N	N	N	N	N	N	N	N
7) Suppliers placing the company on COD, or otherwise demanding special payments before resuming supply	N	N	N	N	N	Y	N	N	Y	Y	Y	Y
8) Creditors paid outside trading terms	N	N	N	Y	Y	Y	Y	N	Y	Y	Y	Y
9) Issuing of post-dated cheques	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10) Dishonoured cheques	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11) Special arrangements with selected creditors	N	N	N	Y	IR	IR	N	N	N	N	N	Y
12) Solicitors' letters, summons, judgments or warrants issued against the company	N	N	N	N	N	N	N	N	N	N	N	Y
13) Payments to creditors of rounded sums which are not reconcilable to specific invoices	N	N	N	N	N	N	N	N	N	N	N	N
14) Inability to produce timely and accurate financial information to display the company's trading performance and financial position, and make reliable forecasts	N	N	N	N	N	N	N	N	N	N	N	N
<i>Other indicators from ASIC's RG217</i>												
15) Experiencing cash flow difficulties	IR	IR	IR	IR	Y	Y	IR	IR	Y	Y	Y	Y
16) Company auditor(s) raised concerns regarding trading as a going concern	IR	IR	IR	IR	IR	IR	IR	Y	Y	Y	Y	Y
17) Employees raised concerns about ability to meet obligations	IR	IR	IR	IR	Y	Y	IR	IR	Y	Y	Y	Y

Y = Indicator Present / IR = Further investigation required / N = Indicator not considered present

¹ *Australian Securities and Investments Commission v Plymin (No 1)* (2003) 175 FLR 124.

6.2.3. Estimated date of insolvency

Our preliminary view is that Wiluna was likely insolvent from at least 30 April 2022 and possibly as early as 30 October 2021.

Wiluna remained insolvent up until the date of the Administration on 20 July 2022.

The primary reasons for our preliminary view are set out below:

- Wiluna was in trading losses in most months from as early as July 2021 onward;
- Wiluna had a current ratio of less than one every month from as early as September 2021;
- in May 2022, Wiluna conducted a capital raise up to \$84 million to address, amongst other things, working capital deficiencies including normalising trade creditor terms and hire purchase facilities;
- total funds committed were approximately \$57 million. However, only approximately \$50 million was received, which included approximately \$16.8 million of supplier debt-to-equity conversion. This capital raise provided some relief for outstanding creditor terms but appears not to have provided the relief required;
- Wiluna had a history of raising capital to address working capital deficiencies, indicating a history of liquidity issues and reliance on capital raisings to address such deficiencies;
- historically, Wiluna was up to date on its statutory liabilities, but paid the May 2022 payroll tax liability late;
- between March 2022 and June 2022, at least 34 different creditors contacted Wiluna requesting payment of their outstanding invoices, negotiating payment plans and, in certain circumstances, threatening to stop supply or commence legal action. The frequency of this correspondence increased from May 2022;
- the proportion of creditors aged over 60 days was 22% in December 2021. There was a substantial increase in creditors aged over 60 days to 47% in April 2022 and 50% in May 2022. Creditors aged over 60 days in June 2022 decreased to 31%, which can be explained by the May 2022 capital raise proceeds used to normalise creditor payment terms;
- between October 2021 and June 2022, various employees raised concerns internally or communicated directly with creditors regarding:
 - the potential to breach loan covenants;
 - the ability to meet creditor claims on time;
 - creditors suspending services in the absence of payment; and
 - messaging to creditors regarding Wiluna's ability to pay their invoices.
- there was a substantial increase in the prevalence of this correspondence from April 2022. In particular, from 1 April 2022, Wiluna's accounts teams had a pre-prepared email to send to creditors advising of cash flow constraints due to shipping delays and requesting the negotiation of payment plans;
- certain Directors and Officers raised concerns regarding Wiluna's solvency position, notably:
 - the Half Yearly report for FY2022 dated 24 February 2022 disclosed that there was a level of inherent uncertainty regarding Wiluna's ability to continue as a going concern (also raised by Wiluna's auditors in the report);

- concerns were expressed regarding whether Wiluna could sufficiently raise the minimum subscription in the May 2022 capital raise, thus alleviating Wiluna's working capital constraints;
 - on 21 April 2022, there were email exchanges between Directors in relation to the solvency of Wiluna demonstrating that some Directors were concerned Wiluna was insolvent and were wanting to seek financial advice;
 - the Directors engaged a safe harbour advisor in May 2022; and
 - on 19 May 2022, a creditor was requested to participate in the capital raise, including a potential debt-to-equity swap, and was advised that without this financial support, the appointment of administrators was likely,
- Wiluna negotiated with Byrncut on several occasions, including in October 2021 and April/May 2022, to extend trading terms. The April/May 2022 negotiations created the circumstances in which Byrncut participated in the debt-to-equity conversion as part of May 2022 capital raise;
 - on 10 May 2022, Arlington, WMC's former corporate advisor, resigned from its engagement with WMC, citing concerns regarding the financial performance of WMC's mining operations, WMC's mine plan and the conduct of certain Directors; and
 - Wiluna's accounts team have advised us that it did not have sufficient funds to make payments to certain employees terminated prior to the Administration.

6.2.4. Preliminary view on liability for insolvent trading

Under section 588G of the Act, directors have a positive duty to prevent a company from trading whilst it is insolvent. If a director is found to have contravened section 588G of the Act, they may be ordered to pay an amount of compensation to the Companies equal to the amount of loss or damage suffered by creditors of the Companies due to the contravention.

Information about possible insolvent trading is relevant to creditors when deciding about the future of the Companies as directors of the Companies can only be pursued for insolvent trading if the Companies are in liquidation.

Creditors must assess the advantages to them of voting in favour of a DOCA (which relevantly will not include any amounts recoverable by a liquidator from insolvent trading actions) and compare this with the likely return in a liquidation which would include such amounts.

As noted above, from our preliminary investigations, Wiluna appears to have become insolvent from as early as 30 April 2022. Any potential claim for insolvent trading has not yet been quantified.

In determining whether any claim against Wiluna's Directors for insolvent trading is commercially feasible, the following factors need to be considered:

- the Directors' financial position to meet a claim, noting that a directors and officers insurance policy was in place at the time of the Administration that may respond to any claim brought;
- the Directors engaged a safe harbour advisor in May 2022 and therefore may be eligible for safe harbour protection around this time. Safe harbour is discussed in greater detail in section 6.2.6;
- the funds raised in the May 2022 capital raise extinguished a large volume of existing unsecured debt. Further detailed analysis of the debts incurred between the potential insolvent trading date and the

date the Directors may be eligible for safe harbour protection will be necessary in the event the Companies enter into liquidation; and

- further investigation is required in relation to the impact of the May 2022 capital raise and resultant impact on solvency.

If Wiluna is wound up and a liquidator is appointed, further work would be required to be performed on the solvency position of Wiluna, including on an entity-by-entity basis, to determine whether there is a benefit to creditors in pursuing the Directors for insolvent trading.

Creditors should refer to **Appendix 5 and Appendix 6** for additional information on insolvency and pursuing insolvent trading claims generally.

6.2.5. Section 588H defences

It is important to note that a director can raise a number of possible defences to a claim for insolvent trading. These defences are contained in section 588H of the Act and include a “reasonable person” test in that the directors had reasonable grounds to expect or believe that the company was solvent or took all reasonable steps to prevent the company from incurring the debt.

In considering whether the Directors have a reasonable defence pursuant to section 588H of the Act, it is necessary to consider the following factors:

- liquidity reports and other financial reports were prepared and distributed to the Directors on a regular basis. Therefore, the Directors may be able to establish they properly informed themselves to the extent they reasonably believed the information to be appropriate;
- that the Directors may have relied upon information in good faith provided to them with respect to Wiluna’s liquidity and solvency position and therefore acted reasonably;
- if the Directors exercised business judgment in good faith and for a proper purpose with respect to setting \$50 million as the capital raising minimum to address the liquidity issues; and
- if the Directors had reasonable grounds to expect, and did expect, that Wiluna was solvent and would remain solvent on the basis that Wiluna had previously conducted three (3) successful capital raisings in the two (2) years prior and could raise further capital if and when it needed.

Any defences available will be considered in further detail if Wiluna is placed into liquidation.

6.2.6. Safe harbour

Under section 588GA of the Act, the Directors can be availed of personal liability for insolvent trading if, at a particular time after the Directors started to suspect Wiluna may become insolvent, they started to develop a restructuring plan which is reasonably likely to result in a better outcome for Wiluna than immediately placing it into external administration. This process and protection is referred to as the safe harbour protection.

The eligibility requirements for the safe harbour protection, as outlined at section 588GA of the Act are summarised below:

Safe harbour eligibility criteria	Section reference
Are the Directors properly informing themselves of the Company's financial position?	588GA(2)(a)
Are the Directors taking appropriate steps to prevent any misconduct by officers or employees of the Company which could adversely affect the Company's ability to pay all its debt?	588GA(2)(b)
Are the Directors taking appropriate steps to ensure the Company is keeping appropriate financial records consistent with the size and nature of the Company?	588GA(2)(c)
Are the Directors obtaining advice from an appropriately qualified entity who was given sufficient information to give appropriate advice?	588GA(2)(d)
Are the Directors developing or implementing a plan for restructuring the Company to improve its financial position?	588GA(2)(e)
Has the Company met and continues to meet its employee entitlement obligations? This includes wages, leave entitlements and superannuation	588GA(2)(a)(i)
Has the Company complied and continues to comply with its tax reporting obligations? This includes returns, notices, statements, applications or other documents as required by taxation laws (within the meaning of the <i>Income Tax Assessment Act 1997</i> (Cth))	588GA(4)(a)(ii)

As noted in section 6.2.3, our preliminary view is that it is likely that Wiluna was insolvent from at least 30 April 2022. Whilst it is possible that Wiluna was trading whilst insolvent at an earlier date, the funds raised in the May 2022 capital raise extinguished a large volume of existing unsecured debt at this time. Further detailed analysis of the debts incurred will be necessary.

The Directors engaged a safe harbour advisor in mid May 2022. Accordingly, regard must be had as to whether the safe harbour protection may be available to the Directors. This may be from as early as May 2022.

Therefore, the Directors may be able to claim protection from personal liability for insolvent trading from the date Wiluna was operating in safe harbour if the Directors can demonstrate they actively pursued strategies and sought appropriate advice in relation to a restructuring plan which was reasonably likely to result in a better outcome for Wiluna than immediately placing it into external administration.

6.2.7. Directors' capacity to pay claims by a liquidator

Title searches and property searches have been undertaken in Australian States and territories to identify any property assets held solely or jointly by the Directors and former director, Milan Jerkovic. Property searches performed on each of the Directors identified several individuals hold property in their own names.

Based on our investigations to date, we are unable to verify if the Directors would be able to meet a successful insolvent trading claim. Similar enquiries have been made in respect to Milan Jerkovic, who resigned shortly prior to the Administration.

In the event a liquidator is appointed, further investigations would be required.

While we understand there was a Directors and Officers insurance policy in place, we do not currently have sufficient information or legal advice to determine the circumstances in which it would respond.

6.3. Wiluna's May 2022 capital raise

6.3.1. Purpose of capital raise

In May 2022, WMC conducted a capital raise to obtain funds, amongst other things, to:

- address working capital deficiencies including normalising trade creditor terms and hire purchase facilities; and
- develop critical infrastructure, including for Wiltails processing.

Per the prospectus filed with the ASX on 24 May 2022 ("**Prospectus**"), WMC sought to raise a minimum of \$50 million and up to \$84,525,978 (before costs) as set out below:

Intended uses of funds (A\$)	Minimum subscription	Full subscription
Pre-commercial production	-	7,800,000
Operations capital (including Wiltails plant, tailings storage)	7,200,000	11,500,000
Geology, exploration & studies	1,020,000	9,800,000
Finance facility repayments & capitalised interest	14,500,000	14,500,000
Trade creditor repayments	24,100,000	24,100,000
Expenses of the offers (e.g. capital raise fees)	3,180,000	5,296,750
Working capital	-	11,529,228
Total	50,000,000	84,525,978

6.3.2. Funds raised

As previously mentioned, a total of \$57 million was committed, however, only \$50 million was received under the raising which included approximately \$16.8 million of supplier debt-to-equity conversion. The table below provides a summary of committed capital.

Capital raise proceeds	\$
Cash contribution	30,109,420
Debt-to-equity conversion	16,800,000
Capital raise fees (settled by share issue)	3,447,296
Total	50,356,716
Funds committed, not received	7,060,000
Total capital committed	57,416,716

6.3.3. Cash contribution

Our preliminary investigations reveal that the approximately \$30 million of cash raised was primarily applied to outstanding creditor balances, with some funds invested into the Wiltails project.

Further analysis of the use of cash is required to determine whether it was used as intended, as outlined in the prospectus.

6.3.4. Debt-to-equity conversion

Three (3) creditors converted their respective unsecured debt to equity as summarised below:

Creditor	Amount
Byrncut Australia Pty Ltd	13,400,000
Interquip Construction Pty Ltd	1,800,000
Ddh1 Drilling Pty Ltd	1,600,000
Total	16,800,000

We have considered whether the above debt-to-equity conversions may constitute an unfair preference pursuant to section 588FA of the Act and therefore be voidable transactions.

The above debt-to-equity conversions may constitute an unfair preference if any creditor disposed of their new shares and obtained a benefit that otherwise would not have been available in any winding up of Wiluna. The above creditors have not disposed of their new shares; therefore, our preliminary view is that each debt-to-equity conversion is unlikely to constitute an unfair preference pursuant to section 588FA of the Act.

Our preliminary observations into potential unfair preference claims are set out further in section 6.4.1.

6.3.5. Conversion fees

To encourage certain creditors to participate in the capital raise, Wiluna offered to pay a 4% “conversion fee” when a creditor would convert their outstanding debt to equity.

As noted above, three (3) creditors participated in the debt-to-equity conversion. However, in reviewing Wiluna’s bank statements, we have not yet been able to confirm whether these creditors received the 4% “conversion fee”.

Any “conversion fee” payments may be an unfair preference pursuant to section 588FA of the Act and therefore voidable transactions.

Our preliminary observations into potential unfair preference claims are set out further at section 6.4.1.

6.3.6. Unpaid capital

The following parties remain indebted to WMC for unpaid capital contributions:

Creditor	Amount
Maxim Geyzer	7,000,000.00
Other unpaid capital contributions	60,000.00
Total	7,060,000.00

Maxim Geyzer

Mr Geyzer is a substantial holder of Wiluna’s capital and was issued \$7 million in shares as part of the May 2022 capital raise. This amount remains unpaid as at the date of the Administration. From the materials we have reviewed, it appears Wiluna and Mr Geyzer entered into an agreement to the effect that Wiluna would issue Mr Geyzer \$7 million in shares (without payment having been received) and payment would subsequently be made by Mr Geyzer at a later date.

We have undertaken the following steps to recover this amount:

- engaged with Mr Geyzer’s representatives seeking recovery of the \$7 million. Mr Geyzer’s representatives do not agree that Mr Geyzer is obliged to pay the \$7 million on the basis that there was no binding contract between Wiluna and Mr Geyzer. Mr Geyzer’s representatives have asserted that there is a claim against Wiluna which will ultimately give rise to a right of set-off;
- instructed our specialist Global Risk and Investigations Practice to identify an address for Mr Geyzer both in Australia and Europe, revealing a possible address in Moscow, Russia; and
- issued a formal letter of demand to Maxim Geyzer in the amount of \$7 million. No response or payment has been received.

Other unpaid capital contributions

A reconciliation of the capital raise proceeds indicate there is a further shortfall of \$60,000 for partly paid shares. Our enquiries with respect to this shortfall continue.

6.3.7. Claim against corporate advisor for misleading or deceptive conduct or for breach of contract

We have considered whether there may be a claim against the corporate advisor engaged by Wiluna to conduct the May 2022 capital raising for a breach of the terms of engagement.

Although the corporate advisor was engaged to procure applications for the capital raising, the capital raising was not underwritten and there was no binding contractual obligation to guarantee any minimum raising. Furthermore, Wiluna agreed to only hold the corporate advisor liable for actionable loss where that conduct was reckless, wilful, negligent, or fraudulent.

On the available information, it is unlikely that a claim exists against Wiluna's corporate advisor.

6.4. Voidable transactions

Section 75-225(3)(b)(i) of the IPR requires an Administrator to specify in their report to creditors whether there are any transactions that appear to the Administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under Part 5.7B of the Act.

This issue is relevant to creditors of a company in administration if they are being asked by an Administrator to decide whether to vote in favour of a proposed DOCA (if a DOCA is proposed) or instead, in favour of liquidation, because any voidable transactions can only be pursued by a liquidator if the company goes into liquidation.

Voidable transactions include:

- Unfair preferences (section 588FA of the Act).
- Uncommercial transactions (section 588FB of the Act).
- Unfair loans to a company (section 588FD of the Act).
- Arrangements to avoid employee entitlements (section 596AB of the Act).
- Unreasonable director-related transactions (section 588FDA of the Act).
- Transactions with the purpose of defeating creditors (section 588FE(5) of the Act).
- Discharging a debt of a related entity (section 588FH of the Act).
- Voidable security interests (section 588FJ of the Act).

Generally, actions by liquidators to recover voidable transactions are expensive and are likely to require court applications. Therefore, if there are inadequate funds available to the liquidator, subject to the availability of funding, the liquidator may consider it uncommercial, or not in the creditors' best interests, to commence or pursue such recovery actions.

In these circumstances, any creditors wishing to fund any such actions themselves may do so. Should any funds be recovered from these creditor-funded actions, those creditors providing the funding may be entitled to receive their contribution in priority to any other creditors.

We have set out below our preliminary findings in relation to potential recoveries from voidable transactions in a liquidation scenario, including our view on the likelihood of there being substantiated and supportable claims. Where applicable, we have included our estimate of possible recoveries along with any other pertinent information.

For general information explaining these matters, including a list of applicable offences, please refer to **Appendix 6**.

Area	Our view	Comments
Unfair preference payments	Possible claims	■ We have reviewed the payments made by the Companies in the period leading up to appointment, considering the potential date of insolvency of the Companies. ■ We consider there may be up to 11 preferential payments to creditors totalling up to approximately \$37.9 million. However, this is subject to further investigation.
Uncommercial transactions	Possible claims	■ Payments by Wiluna to Xavier Group Pty Ltd totalling \$402k may be an uncommercial transaction. However, this is subject to further investigations.
Unfair loans	No claims	■ We are not aware of any potential unfair loans that would likely result in property being recovered for the benefit of creditors.
Unreasonable director-related transactions	Possible claims	■ Payments by Wiluna to Iles Prime Property totalling \$153k may constitute an unreasonable payment to a director. However, this is subject to further investigations.
Discharging the debt of a related entity	No claims	■ Our investigations to date have not revealed any transactions with related entities that would likely result in property being recovered for the benefit of creditors.
Arrangements to avoid employee entitlements	No claims	■ Our investigations to date have not revealed the existence of any arrangements to avoid employee entitlements.
Voidable charges	None	■ Our investigations to date have not revealed any charges or registered security interests that would be void against a liquidator.

6.4.1. Unfair preferences

An unfair preference is defined in section 588FA of the Act as a transaction where the company and a creditors are parties to the transaction and that transaction results in the creditor receiving from the company, in respect of an unsecured debt that the company owes the creditor, more than the creditor would receive from the company in respect of the debt if the transaction were set aside and the creditor were to prove for the debt in a winding up of the company.

Section 588FA of the Act applies to payments made within six (6) months prior to the Administrators' appointment.

Based on our investigations, we believe that eleven (11) creditors may have received payments totalling approximately \$37.9 million from WOPL that may be considered an unfair preference. This estimate is only preliminary and is subject to any material change pending further investigation, should a liquidator be appointed.

We also note that the creditors alleged to have received possible unfair preference payments may have a number of defences available. These defences may include:

- that a running account existed between the creditor and the company, which contained a series of mutual credits and debits, and, therefore, that the sum of the voidable transaction claimed by the liquidator should be reduced in whole or part. Should a running account defence exist, it may reduce potential claims to approximately \$1.2 million which based on preliminary investigations appears to be the case. A further investigation would involve reviewing each creditor's physical invoices and statements; and/or
- that they had reasonable grounds to suspect that Wiluna was not insolvent at the time of the payments or could reasonably suspect that Wiluna would be solvent in the near future given that Wiluna had represented to creditors that:
 - the May 2022 capital raise would be successful and enable Wiluna to normalise creditor terms; and/or
 - the delays in payment of outstanding invoices were a result of a delay in shipment of gold concentrate and that following shipment of the gold concentrate, outstanding invoices could be settled.

It is important to note that if any amount is recoverable from a creditor as an unfair preference, that creditor will have an unsecured claim against the relevant entity for an equivalent amount in the liquidation and may lodge a proof of debt for that amount plus any other outstanding debts.

Furthermore, the above claims may be reduced by a portion of the cost of taking the action as, generally, not all costs are recoverable from a defendant creditor even if the liquidator is successful.

6.4.2. Uncommercial and unreasonable director-related transactions

An uncommercial transaction is defined in section 588FB of the Act as a transaction of a company in circumstances where it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction, having regard to the benefits to the company of entering into the transaction, the detriment to the company of entering into the transaction, the respective benefits to other parties to the transaction, and any other relevant matter.

Section 588FE(4) of the Act provides that a transaction is voidable if it is an insolvent transaction of the company, a related entity of the company is a party to it, and it was entered into, or an act was done for the purpose of giving effect to it, during the four (4) years ending on the relation-back day.

An unreasonable director-related transaction is defined in section 588FDA of the Act as a payment, disposition or issue by the company to a director of the company or a close associate of a director of the company, or a person on behalf of, or for the benefit of those persons in circumstances where it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction, having regard to the benefits to the company of entering into the transaction, the detriment to

the company of entering into the transaction, the respective benefits to other parties to the transaction, and any other relevant matter.

Section 588FDA of the Act applies to payments made within four (4) years prior to the relation-back day. Furthermore, unlike under section 588FE(4) of the Act, it is not necessary to establish the company was insolvent at the time of the transaction or that the company became insolvent as a result of the transaction.

Based on our investigations, we have identified the following transactions made to or on behalf of Milan Jerkovic and/or his associated entities which may be uncommercial and/or unreasonable director-related transactions that may warrant further investigation by a liquidator.

Xavier Group Pty Ltd

Mr Jerkovic is a current director of Xavier Group Pty Ltd ("**Xavier Group**").

Over the period 30 July 2021 to 14 January 2021, Wiluna made seven (7) payments to Xavier Group totalling \$402,182.10. Xavier Group was appointed as a corporate adviser to Wiluna under an engagement agreement negotiated between Wiluna's lead independent director and approved by the WMC board.

The purpose of engaging Xavier Group was to seek transaction services and assistance with several significant transactions Wiluna wished to pursue, including negotiating its debt facilities with Mercuria.

Based on our investigations, payments to Xavier Group were likely made at arm's length commercial terms. A liquidator, if appointed, would need to conduct further investigations to assess whether Wiluna's payments to Xavier Group constitute an uncommercial transaction.

Iles Prime Property

Wiluna paid rent to Iles Prime Property on behalf of Mr Jerkovic for an apartment in London, United Kingdom.

Three (3) payments to Iles Prime Property totalling AUD \$153,878.18 over the period 23 August 2021 to 5 May 2022 were made for an apartment leased in the name of Mr Jerkovic in London, United Kingdom.

Mr Jerkovic has advised rent was not paid on his behalf and that the purpose of the apartment was to provide office space and accommodation for executives of Wiluna following the decision of the board to pursue a London Stock Exchange listing.

Based on our investigations, it appears that a claim against Mr Jerkovic is unlikely to exist. A liquidator, if appointed, would need to conduct further investigations to assess whether Wiluna's payments constitute an unreasonable director related transaction.

6.5. Offences by Directors

6.5.1. Reports to ASIC

Section 438D of the Act requires a voluntary administrator to complete and lodge a report with ASIC as soon as practicable where it appears to us that:

- a past or present officer or employee, or a member, of the company that may have been guilty of an offence in relation to the company; or
- a person who has taken part in the formation, promotion, administration, restricting, management or winding up of the company who may have misapplied or retained, or may have become liable or

accountable for, money or property of the company or may have been guilty of negligence, default, breach of duty or breach of trust in relation to the company.

We have identified several potential offences by the Directors that have been reported to ASIC pursuant to section 438D of the Act. Any report lodged pursuant to section 438D of the Act (or an investigative report lodged by a subsequently appointed liquidator pursuant to section 533 of the Act) is not available to the public.

6.5.2. Potential offences by Directors

Insolvent trading

Directors have a positive duty to prevent a company from trading while insolvent. If a director is found to have contravened section 588G of the Act he or she may be ordered to pay an amount of compensation to the company equal to the amount of loss or damage suffered by creditors of the company as a result of the contravention.

Our preliminary analysis indicates the Companies were likely insolvent from as early as 30 April 2022. Any potential claim for insolvent trading has not yet been quantified.

As outlined in sections 6.2.4 to 6.2.7, there are a number of factors to consider in determining whether any claim against Wiluna's Directors for insolvent trading is commercially feasible including any defences available to the Directors and the Directors' financial position to meet such a claim.

If Wiluna is wound up and a liquidator is appointed, further work would be required to be performed on the solvency position of Wiluna, including on an entity-by-entity basis, to determine whether there is a benefit to creditors in pursuing the Directors for insolvent trading.

False or misleading statements to induce investment of capital

Pursuant to section 1041E of the Act, a person must not make a statement, or disseminate information, if the statement or information is likely to, amongst others, induce persons to apply for, or acquire, a financial product. A person will have contravened section 1041E of the Act if they make a statement without caring as to whether it is true or false, or if they knew, or ought to have known, that the statement was false or misleading.

Our preliminary view is that there is evidence to support a finding that Wiluna may have contravened section 1041E of the Act for the following reasons:

- Wiluna misrepresented the amount and value of investors who committed to or participated in the capital raising; and
- Wiluna misrepresented those investors had committed to the capital raising when, in reality, these were expressions of interest only.

Wiluna's Directors or Officers will be established as a culpable accessory to any contravention by Wiluna of section 1041E of the Act if one of the following is established:

- actual knowledge;
- wilfully shutting one's eyes to the obvious;
- wilfully and recklessly failing to make such inquiries as an honest and reasonable person would; or

- knowledge of circumstances which indicate the facts to an honest and reasonable person.

At this point in our investigations, we have identified acts and omissions by Wiluna's directors and officers that may potentially establish those persons as culpable accessories to Wiluna's potential contravention of section 1041E of the Act. This is a preliminary assessment and should the Companies be placed into liquidation further investigation would be required.

In assessing whether there has been a contravention of section 1041E of the Act, it will be necessary for any liquidator of the Companies to have regard to whether the Directors and Officers may have an arguable defence.

In particular, the Directors or Officers may argue that they:

- reasonably believed that the commitments had been received in the amounts represented to ASX and other investors based on information provided to them; and / or
- otherwise acted honestly and were mistaken in the calculation of the minimum capital raise subscription.

Misleading or deceptive statements in the Prospectus or an omission from the Prospectus

Pursuant to section 728(1) of the Act, a person is prohibited from offering securities under a disclosure document (here, the Prospectus) if there is (among other things):

- a misleading or deceptive statement in the Prospectus; or
- an omission from the Prospectus of material required by sections 710 – 715 of the Act.

At this point in our investigation, our preliminary view is that Wiluna may have contravened section 728(1) of the Act by issuing a Prospectus containing misleading or deceptive information, or by omitting relevant information from the Prospectus, in relation to Wiluna's liquidity and solvency position based on the following:

- the resignation of Wiluna's corporate advisors citing concerns regarding representations as to Wiluna's liquidity and solvency position; and
- the Directors and Officers may have failed to properly understand, and accurately report on, Wiluna's liquidity and solvency position.

We have also identified acts and omissions by Wiluna's directors and officers that may potentially establish those persons as culpable accessories to Wiluna's potential contravention of section 728(1) of the Act. This is a preliminary assessment and should the Companies be placed into liquidation further investigation would be required.

Section 731 of the Act provides a due diligence defence to civil and criminal liability imposed by sections 728(3) and 729 of the Act for misleading or deceptive statements in, or omissions of required material from, the Prospectus, if a person proves that they:

- made all inquiries (if any) that were reasonable in the circumstances; and
- after doing so, believed on reasonable grounds that the statement was not misleading or deceptive or that there was no omission from the Prospectus in relation to that matters.

In addition, the Act provides a defence to civil liability imposed by s 728(3) because of a misleading or deceptive statement in, or an omission of required material from, the Prospectus, if the person proves that they placed reasonable reliance on information supplied by another person.

A liquidator, if appointed, would need to conduct further investigations to assess whether the Directors may be entitled to the defences outlined above.

Directors' duties

We have also considered whether the Directors' actions in respect to managing Wiluna's solvency position may have breached sections 180 to 184 of the Act. These duties, which are in addition to the duty not to trade while insolvent, include:

- a duty of care and diligence (section 180), subject to the business judgment rule defence;
- a duty to exercise their powers, and discharge their duties, in good faith in the best interests of the company and for a proper purpose (section 181);
- a duty not to improperly use their position as a director to gain an advantage for themselves or another person, or to cause detriment to the company (section 182);
- a duty to not improperly use information obtained because of their position as a director to gain an advantage for themselves or someone else, or to cause detriment to the company (section 183); and
- potential criminal liability for reckless or dishonest conduct connected with their duties of good faith and proper purpose, or use of position or information (section 184).

At this point in our investigations, we have identified acts and omissions by the Directors that may potentially constitute a breach of section 180 in respect to the Directors' management of Wiluna's liquidity and solvency position. In particular, it is possible that the Directors may have potentially breached their duty of care and diligence by:

- failing to adequately fully monitor or understand Wiluna's liquidity position;
- authorising Wiluna to issue shares to Maxim Geyzer without having first receiving payment; and/or
- causing or permitting Wiluna to breach sections 1041E and/or 728(1) of the Act.

This is a preliminary assessment. Should the Companies be placed into liquidation, further investigation would be required to determine the merits of these causes of action and the quantum of any claim.

Under section 180 of the Act, a director or officer may rely on the 'business judgement rule'. Under this rule, a director or officer must first show that they made a business judgment and that they made the judgment:

- in good faith and for a proper purpose;
- with no material personal interest in the subject matter of the judgment;
- after they informed themselves about the subject matter of the judgment to the extent they reasonably believed to be appropriate; and
- with a rational belief that the decision was in the best interests of the corporation. A director or officer must be able to prove all these elements to rely on the rule. If they do, the Act considers that the director has fulfilled their obligations regarding care and diligence.

A liquidator, if appointed, would need to conduct further investigations to assess whether the Directors may be entitled to any defences (including the business judgment rule).

7. Proposal for a deed of company arrangement

7.1. What is a DOCA?

A DOCA is a formal agreement between a company, its creditors, and the proponents of the DOCA.

The proponents are interested parties who wish the creditors to consider their proposal – usually involving a compromise of creditors' claims as opposed to either winding up the company (liquidation) or returning the company to its directors.

A DOCA may involve:

- maximising the chance of the company continuing in existence; and/or
- result in a better return for the company's creditors than in a winding up.

7.2. Proposal for a DOCA

We have engaged with Wiluna's key stakeholders regarding a proposed DOCA and creditors' trust which will:

- provide a mechanism to make an initial payment towards the claims of unsecured creditors, subject to adjudication of formal proofs of debt, representing a greater return to unsecured creditors than would be available in a liquidation scenario and the possibility for a greater return in certain circumstances;
- allow ongoing operation of the business with creditors agreeing to arrangements that strengthen Wiluna's balance sheet and with the benefit of improved processing facilities and additional working capital; and
- allow a contribution from existing shareholders to build and commission two additional CIL tanks and associated infrastructure ("**CIL Tank Upgrade**").

The proposed DOCA will be implemented as part of a broader strategic turnaround involving Wiluna's key stakeholders to find a long term financially sustainable solution for Wiluna. The proposed DOCA is a critical aspect of the sale and/or recapitalisation process.

Attached at **Appendix 8** is the operating plan for the period of the DOCA. The plan is structured around processing stockpiles of tailings and other material. The processing circuit is to be upgraded by completion of the Wiltails trommel and CIL tanks added to improve recovery. The underground mine will remain on care and maintenance. The aim is to provide time for feasibility studies to be completed aimed at raising capital to restart mining and processing using the existing circuit including the Biox circuit which will be refurbished with the intention of producing gold doré on site by mining and processing sulphide ore.

A copy of the proposed DOCA term sheet is attached at **Appendix 9** and is designed to have the effect of:

- maximising the Companies' chances of survival and continuing to exist;
- providing creditors with a greater return than would be available in a liquidation of the Companies; and
- facilitating the execution and performance of a creditors' trust deed.

Creditors should read the proposal and ask us before the meeting if they have any specific queries that are not addressed in this report.

To assist creditors, we have highlighted the key features of the DOCA terms sheet within this report and provide our comments on the operational aspects of the DOCA proposal.

7.3. Glossary of key DOCA terms

Item	Definition
Average Cash Balance	The Average Cash Balance for each financial quarter means an amount equal to the average of the amounts standing to the credit of the Companies' bank accounts.
Cash Sweep Amount	Cash Sweep Amount on a Cash Sweep Day means: ■ the Average Cash Balance for the financial quarter immediately preceding that Cash Sweep Day; less ■ for the first six months after execution of the DOCA, AUD\$6,000,000 plus the balance of the CIL Tank Upgrade Funds, and thereafter AUD\$6,000,000, and if the Cash Sweep Amount is less than zero, then the Cash Sweep Amount will be deemed to be zero. The Cash Sweep Amount is capped at \$39 million.
Cash Sweep Period	The Cash Sweep Period begins on execution of the DOCA.
Creditors' Trust Fund	Creditors' Trust Fund comprises: ■ cash held by Wiluna sufficient to make the initial payment to Participating Creditors; and ■ after Mercuria has been repaid in full, any Cash Sweep Amount paid to the Trustees (up to a cap of \$39 million).
Deed Administrators	Michael Ryan, Kate Warwick, Ian Francis and Daniel Woodhouse.
Moratorium	Until the date of Effectuation, other than in respect of Non-Participating Creditors or as otherwise stated in the DOCA term sheet: ■ the provisions in sections 440A, 440B and 440D of the Act will continue to apply as if the Companies remained in voluntary administration; and ■ a moratorium will apply to all claims of Participating Creditors which will be stayed and no step, action or proceeding may be taken in respect of such claim against the Companies.
Non-Participating Creditors	The following creditors will not be entitled to participate in any distribution from the Creditors' Trust Fund (assuming the entities referred to in items (b), (c) and (f) provide suitable commitment to us as Administrators (in our absolute discretion) that forbearance and/or standstill agreements are executed by those entities): a) Employee creditors who are retained and have not been terminated as at the date of the execution of the DOCA; b) Trismegist;

	c) Trafigura; d) Mercuria; e) Franco-Nevada Australia Pty Ltd (“Franco-Nevada”); f) Osisko Bermuda Limited (“Osisko”); and g) the Companies (i.e., for the Intercompany loans) Claims of the Non-Participating Creditors remain uncompromised and will not be discharged or forgiven.
Participating Creditor	Any creditor, including contingent creditors, who the Administrators adjudicate as having a claim against any of the Companies as at the date of the Administration and is not a Non-Participating Creditor.
Proponent	The Administrators.
Sunset Date	31 December 2024, or such other date as nominated by the Deed Administrators in writing.
Trustees	The Deed Administrators are the Trustees of the Creditors’ Trust.

7.4. Key features of the proposal

As Administrators, we have proposed a DOCA which is designed to help facilitate the revised dual track sale and/or recapitalisation process. Key features of the proposed DOCA are set out below.

- A creditors’ trust will be established on execution of the DOCA and named the “Wiluna Group Creditors’ Trust” (“**Creditors’ Trust**”). Participating Creditors will be substituted with rights under the Creditors’ Trust Deed, without bearing any risk associated with effectuation of the DOCA.
- The Creditors’ Trust will enable certain tasks ordinarily undertaken by Deed Administrators to:
 - release unsecured creditor claims and provide an initial payment to Participating Creditors of \$1.8 million which is to provide a return of approximately 5 cents in the dollar, subject to adjudication of formal proofs of debt and assuming each of the Non-Participating Creditors do not participate as Participating Creditors;
 - undertake further feasibility studies;
 - strengthen Wiluna’s balance sheet which will:
 - assist WMC to raise funds from existing shareholders totalling A\$6,670,000 for the CIL Tank Upgrade works;
 - assist the Companies to acquire goods and services, and obtain credit;
 - assist WMC to raise further capital to restart mining and produce gold doré, and recommence trading on the ASX; and
 - provide a mechanism to enable the Companies to continue to repay the majority of or the entire balance of the claims of the Participating Creditors assuming each of the Non-Participating Creditors do not participate as Participating Creditors.
- The Deed Administrators will use reasonable endeavours to cause WMC to issue new shares (“**New Shares**”) sufficient to raise an amount anticipated to be in the order of AUD\$75 million (“**Additional Capital**”) on or before 31 December 2024.

- The Deed Administrators will pay 10% of any amount of Additional Capital raised by WMC to Mercuria to repay its secured debt if required. Participating Creditors' will have a right to convert any outstanding right and entitlement to receive a distribution from the Creditors' Trust Fund into WMC Shares.
- Secured creditors will not be bound by the DOCA including for Mercuria and nothing in the DOCA will affect secured creditors debt or securities, including their rights to continue to accrue interest and costs. Mercuria will agree to revised terms of the facility agreement, aligned with future performance of Wiluna.
- Related party creditors are Non-Participating Creditors in the DOCA and therefore the inter-company loans as discussed at Section 5.4.3 remain on the balance sheet.
- On a day that is no later than 20 business days after the end of each financial quarter during the Cash Sweep Period (a "**Cash Sweep Day**"), the Companies shall pay the Cash Sweep Amount (if any) on that day as follows:
 - until the secured debt owing to Mercuria, including accrued interest and any other costs, has been repaid in full, 100% of the Cash Sweep Amount to Mercuria to repay its secured debt; and thereafter
 - 100% of the Cash Sweep Amount to the Trustees as a contribution to the Creditors' Trust Fund up to a cap of \$39 million (for the Trustees to then distribute to Participating Creditors rateably).
- The Trustees may call a meeting of creditors to consider any proposed variation of the Creditors' Trust Deed agreed between the Trustees and the Companies, or the termination of the Creditors' Trust Deed.
- Any existing employee will retain existing priorities in respect of the property under the Deed Administrators' control.
- No recovery actions for potential voidable transactions can be commenced in the DOCA but if the DOCA terminates and Companies are wound up, such potential recovery actions will be available to the liquidators.
- In the event a voluntary administrator or liquidator is appointed with respect to a Company, the debt owed by the Company to the Trustees automatically crystallises and becomes due and payable, and provable in that external administration. This debt will be subordinated to Mercuria and any new creditors of the Companies whose debt was incurred after the execution of the DOCA.

We will report to creditors as soon as possible if additional material information is received on the DOCA proposal prior to the forthcoming creditors' meeting.

7.4.1. Application of the Creditors' Trust Fund

The Creditors Trust Fund is to be applied as follows.

- first, to the Administrators and Deed Administrators and Trustees for their professional fees, costs, charges, expenses, debts and liabilities incurred in connection with the Administration (including without limitation any legal fees), DOCA and Creditors' Trust (including without limitation any legal fees);

- second, to the extent former employees have not been paid their outstanding entitlements, a rateable distribution to former employees for their outstanding entitlements as Priority Creditors pursuant to section 556 of the Act, so that they are paid out in full;
- third, an amount of \$1.8 million to be applied to the claims of Participating Creditors which is to provide a return of approximately 5 cents in the dollar, subject to adjudication of formal proofs of debt and assuming each of the Non-Participating Creditors do not participate as Participating Creditors; and
- fourth, to the Participating Creditors in respect of their outstanding rights and entitlements to receive a distribution from the Creditors Trust Fund, to be distributed rateably.

The Creditors' Trust Fund will be distributed from time to time by the Trustees as soon as reasonably practicable.

7.4.2. Participating Creditors' Conversion Rights

At any time during the period commencing on the opening date of the Capital Raising as announced on the ASX and ending on the last date for investors to participate in the Capital Raising ("**Decision Period**"), each Participating Creditor can elect to convert their outstanding right and entitlement to receive a distribution from the Creditors' Trust into WMC shares up to a cap of \$39 million ("**Conversion Right**"). If there is an oversubscription during the Decision Period by Participating Creditors, shares will be issued to those Participating Creditors who have exercised their Conversion Rights on a pro rata basis, with the total value of shares limited to the cap of \$39 million.

If a Participating Creditor elects to exercise their Conversion Right during the Decision Period, then:

- the conversion price for each WMC share to be issued will be at a discount of 10% of the issue price per share under the Capital Raising; and
- the Participating Creditor's outstanding debt and right and entitlement to receive a distribution from the Creditors' Trust shall be deemed to be repaid upon WMC issuing shares to that Participating Creditor in accordance with the above.

For the avoidance of doubt, no creditor(s) will receive a return of more than 100 cents in the dollar under the Creditors' Trust Deed, Cash Sweep or through the exercise of a Conversion Right (or any combination of them).

7.4.3. Conditions precedent

Effectuation under the DOCA is conditional on the following Conditions Precedent being satisfied (or waived) to the Deed Administrators:

- the Companies' creditors approve the proposed DOCA;
- the execution of a formal DOCA on terms and conditions acceptable to all parties and the formal DOCA remaining in full force and effect prior to Effectuation;
- the execution of the Creditors' Trust Deed;
- the completion of the Capital Raising on terms satisfactory to the Deed Administrators;

- one or more agreements with WMC's major shareholders Delphi Unternehmensberatung AG (or its nominee(s)) and Byrncut who will each agree to provide a portion of the CIL Tank Upgrade Fund to Wiluna;
- the execution of agreements with Wiluna's major creditors, including:
 - Mercuria regarding its secured debt;
 - conversion of certain amounts owing to Franco-Nevada Australia, to which WOPL and Kimba are subject to royalty deeds, into convertible notes with the same conversion price as the conversion price under the CIL Tank Upgrade Fund arrangements, and otherwise on terms to be agreed with the Deed Administrators;
 - Trismegist and Trafigura agree to forbear from enforcing its rights under their respective offtake agreements; and
 - Osisko forebear their rights under a Gold Purchase Deed ("GPD");
- the appointment of one or more suitably qualified and experienced directors to the boards of directors of the Companies;
- the members of WMC giving the necessary member approvals under the ASX Listing Rules, and if necessary, under the Act to allow WMC to issue New Shares comprising the Capital Raising ("**Member Approval Condition**"); and
- WMC seeking and being granted any necessary regulatory approval, including from the ASX.

7.4.4. DOCA implementation

Following satisfaction or waiver of the above conditions precedent:

- the Creditors' Trust Deed will take effect pursuant to the terms of the Creditors' Trust Deed, and the Trustees will carry out the Cash Sweep to Participating Creditors;
- the proposed DOCA will fully complete and effectuate upon satisfaction (or waiver) of the last Conditions Precedent on terms acceptable by the Deed Administrators. Upon effectuation:
 - the Companies will be released from external administration;
 - the DOCA will terminate; and
 - control of the Companies will be transferred to new directors.

7.4.5. Effects of the DOCA on employees' ability to access the Federal Government's Fair Entitlements Guarantee ("FEG") scheme

Current and former employees should note access to the FEG scheme for any outstanding entitlements, in particular leave and redundancy, is not available in a DOCA scenario as the FEG scheme is only available if a company goes into liquidation.

Outstanding superannuation entitlements are not covered by the FEG scheme.

Employees are otherwise advised that:

- payment to the ATO has been made in respect of outstanding SGC, discharging the claim for SGC in full;
- former employees were paid their outstanding entitlements, including for leave and retrenchment, on 22 June 2023; and
- although classified as Non-Participating Creditors under the proposed DOCA, current employees will continue to have their leave entitlements paid in the ordinary course of business and it is otherwise anticipated that there will be sufficient funds in the Companies to cover retrenchment entitlements in the event of any terminations.

7.4.6. Extinguishment of claims

Upon establishment of the Creditors' Trust, all claims (other than those which are not affected pursuant to section 444D of the Act and those of Non-Participating Creditors) will be released, discharged, and extinguished in full, in consideration for the Participating Creditors becoming beneficiaries under the Creditors' Trust.

Secured claims of lessors and owners will not be released, discharged or extinguished under the DOCA.

Any claims will be deemed to be abandoned if, prior to the declaration of the final dividend or distribution, a creditor has failed to submit a formal POD or claim in accordance with the terms of the Creditors' Trust, or having submitted one which is rejected, fails to appeal against the rejection within the relevant timeframe set out in the Creditors' Trust Deed.

7.4.7. Termination of the DOCA

The DOCA will continue in operation until the DOCA is terminated by any of the following events occurring:

- the failure to satisfy all of the Conditions Precedent by the Sunset Date;
- the failure to obtain the Member Approval Condition by 31 December 2024;
- the failure to satisfy the Regulatory Approval Condition by 31 December 2024;
- the failure to complete the Capital Raising on terms satisfactory to the Deed Administrators by 31 December 2024;
- the failure to execute the New Mercuria Facility Agreement;
- resolution of creditors at a meeting of creditors;
- court order;
- Effectuation; or
- if Effectuation does not occur on or before the Sunset Date.

7.4.8. Other relevant matters

- During the period of operation of the DOCA, the Deed Administrators will maintain in control of the Companies and will continue to manage the operations of the Companies.
- During the operation of the DOCA, the moratorium in sections 440A, 440B and 440D of the Act will apply to all creditors and members of the Companies.
- For Participating Creditors' claims to be admissible under the DOCA, they must have arisen on or before the date of appointment of our appointment, being 20 July 2022.
- Upon termination of the DOCA due to the non-satisfaction of a condition precedent prior to the relevant date, the Deed Administrators will cease to be bound by the DOCA and have no liability under it. In such circumstances, the Deed Administrators would immediately call a meeting of creditors to determine the Companies' future.

7.5. Our comments on the proposal

7.5.1. Likely satisfaction of conditions precedent

Our comments regarding the likelihood of satisfaction of each of the conditions precedent is as follows:

- We have agreed term sheets with Mercuria and Franco-Nevada.
- We have agreed term sheets with Delphi Unternehmensberatung AG and Byrncut in relation to the CIL Tank Upgrade Funds.
- Discussions with Trismegist, Trafigura and Osisko regarding the relevant in principle agreements remain ongoing. We consider it likely that in principle agreements can be reached prior to the Meeting. **Should suitable commitments not be provided by these parties, this may impact the proposed DOCA as these parties may otherwise convert their respective claims (subject to formal proofs of debt being submitted and adjudicated) against the Companies and become Participating Creditors in the Creditors' Trust.** Should these parties' claims be admitted to prove as Participating Creditors the total value of claims will increase and the return to other creditors reduce. We are unable to estimate the impact as these claims are to some extent contingent in nature but they could be substantial.
- We have discussed with WMC's major shareholders regarding a proposed Capital Raising and they have indicated support for the strategy.
- We have not discussed the matter with the corporate regulators, including ASIC and the ASX, and therefore we cannot comment regarding any regulatory relief.
- The Creditors' Trust Deed is a matter within the direct control of the Administrators and as such the risk of non-execution is minimal.
- We are currently considering potential suitably qualified and experienced directors for appointment to the boards of directors of the companies and are of the view the risk of non-execution is minimal.

7.5.2. Return to creditors

The DOCA provides for the creation of the Creditors' Trust and a way forward for unsecured creditors (i.e., Participating Creditors) to receive a dividend of approximately 5 cents in the dollar in priority to secured creditors, subject to adjudication of formal proofs of debt and assuming each of the Non-Participating Creditors do not participate as Participating Creditors. Participating Creditors are able to participate in future cashflows generated by Wiluna should it be successfully recapitalised.

Our estimate of the return to the creditors of the Companies is discussed separately at section 8.

In reviewing this information, creditors should review the detailed statement, our estimate of costs and the anticipated return under a DOCA scenario compared to a liquidation scenario.

There is no alternate DOCA proposal.

Accordingly, the only other realistic option for the Companies, if the proposed DOCA (inclusive of any further amendments) is not executed, would be for the Companies to be placed into liquidation.

It is important for creditors to note that under a liquidation scenario, we believe there is likely to be a shortfall to Mercuria's secured debt exposure and any return to unsecured creditors would be dependent upon substantial recoveries from any voidable transactions, which are not a guaranteed and costly to pursue.

In forming their own views as to whether the DOCA proposal is in their interests, creditors should consider the following when comparing the DOCA proposal to a liquidation:

- the market for the sale and recapitalisation process has been thoroughly tested by us and amicaa, and the current DOCA proposal is considered the best option available to maximise returns to all creditors;
- under the DOCA proposal, during care and maintenance of the underground mine we will preserve the value of the underground workings and facilitate an associated restart of operations as required in the future;
- upon establishment of the Creditors' Trust, unsecured creditor claims will be released which is designed to make Wiluna's balance sheet a more favourable investment opportunity, and thus provide an opportunity to maximise the Companies' value;
- various unsecured creditors may benefit from ongoing trading with the Companies;
- there will be a return to Participating Creditors (i.e., unsecured creditors) of 5 cents in the dollar upon establishment of the Creditors' Trust, and this provides for greater certainty of a return to unsecured creditors than in a liquidation scenario. Participating Creditors are otherwise eligible to receive a contribution from the Creditors' Trust Fund until their claims are discharged in full, or alternatively have a Conversion Right (as discussed above), subject to a distribution cap of \$39 million;
- voidable transactions identified in our investigations are only recoverable if the Companies are placed into liquidation and there is no certainty that these potential claims are recoverable. If the Companies are ultimately placed into liquidation, voidable transaction recovery actions will be available to the liquidators. Please refer to section 6 for further details;
- secured creditors can continue to deal with their security unless they agree to be bound by the DOCA by voting in favour of it;

- under the DOCA, related party creditors will not seek to claim against the Creditors' Trust Fund. In a liquidation scenario, related parties are entitled to make a claim as unsecured creditors, diluting any available funds to unsecured creditors;
- the FEG scheme, operated by the Federal Government, pays certain entitlements of employees whose employment has been terminated because of an employer's liquidation, noting to be eligible for the FEG scheme, a company must be in liquidation. There are also timing considerations between lodgement of a claim and employees receiving funds; and
- in the event the DOCA terminates for reasons other than successful completion, we do not consider creditors will be worse off than if the Companies were immediately placed into liquidation.

Based on the above, we consider the DOCA to be in the best interests of creditors.

7.6. Expected timeline of events

If the proposed DOCA is approved by creditors at the forthcoming meeting, the following key events (in sequence) can be expected to occur:

- execution of agreements with Non-Participating Creditors;
- the DOCA will be executed by the parties subject to the Deed. This is expected to occur shortly after the forthcoming meeting of creditors. At law, there is a maximum time-period of 15 business days after the meeting for the DOCA to be executed. If the DOCA is not executed within this time, the Companies would be placed into liquidation;
- on execution of the DOCA and the Creditors' Trust Deed, the Creditors' Trust will be established. The claims of all Participating Creditors will be converted to the right to participate as a beneficiary of the Creditors' Trust;
- the Trustees will take necessary steps to transfer \$1.8 million to the Creditors' Trust, forming the initial Creditors' Trust Fund;
- the Trustees will undertake a formal adjudication process of beneficiaries claims and as soon as practicable, distribute \$1.8 million to beneficiaries resulting in a return of approximately 5 cents in the dollar for Participating Creditors. Further distributions will be made as necessary, up to the cap amount of \$39 million;
- the Administrators would then turn toward satisfying all conditions precedent outlined in the DOCA; and
- once all conditions precedent are met or waived, the Companies will return to solvency under the control of the New Directors and the Creditors' Trust is able to continue after DOCA effectuation, if required.

If the conditions precedent in the DOCA are not met or waived prior to 31 December 2024, or any such later date agreed to by the Deed Administrators and the Proponent, the DOCA will come to an end and the Deed Administrators will be required to convene a meeting of creditors to decide the future of the Companies.

7.7. Purpose of a creditors' trust

7.7.1. General Information on the purpose of a creditors' trust

- A creditors' trust is a mechanism for the distribution of a fund to creditors of a company or group of companies, which accelerates a company's exit from external administration. A trust is formed for the benefit of the relevant creditors, and the trust funds (usually contributed by the proponent of the DOCA) are paid to the trust for distribution to creditors in accordance with a trust deed.
- A creditors' trust is an arrangement pursuant to the Trusts Act rather than the Act.
- The DOCA proposal requires the use of a creditors' trust. The reason for a creditors' trust structure is to accelerate Wiluna's exit from external administration, by releasing unsecured creditor claims to ensure Wiluna's balance sheet reflects a more favourable investment opportunity, and therefore facilitates avenues to maximise the Companies' value.

7.7.2. ASIC guidelines for creditors' trusts

- In December 2018, ASIC updated Regulatory Guide 82 in respect of creditors' trusts, entitled 'External Administrations: Deeds of company arrangement involving a creditors' trust' ("**the Guide**"). A copy of the Guide can be downloaded from the ASIC website at www.asic.gov.au or is available from our office upon request.
- Key considerations of the creditors' trust, as required pursuant to Regulatory Guide 82, is at **Appendix 11** with a summary below.

7.7.3. Rights of creditors

- The trust deed will incorporate many provisions of the Act, but creditors' rights will be governed by the Trusts Act and in equity.
- The terms of the proposed DOCA are in the preceding pages. Creditors' rights are altered in the DOCA proposal and creditors should take this into account in assessing the merits of the DOCA proposal being put forward.
- Creditors should seek their own legal advice as to the implications to them.

7.7.4. Summary of key considerations

Typically, when a creditors' trust is created:

- the company's obligations to all creditors bound by the DOCA are compromised in accordance with the DOCA (typically upon satisfaction of certain conditions);
- the Deed Administrators of the DOCA become the Trustees of the creditors' trust and the creditors become the beneficiaries of the creditors' trust;
- the company and/or third parties promise to make one or more payments (or transfer of property) to the Trustees in satisfaction of creditors' claims against the company. In return, the creditors' claims against the company are extinguished;

- the DOCA is “effectuated” immediately upon the creation of the creditors’ trust, which usually occurs after the DOCA is executed and any conditions precedent are satisfied;
- when the DOCA is “effectuated”, the company ceases to be externally administered, the directors regain full control of the company, the company is no longer required to use the notification ‘subject to deed of company arrangement’ on its public documents as it otherwise would be required by section 450E(2) of the Act; and
- the Deed Administrators (now Trustees) then become solely responsible to the former creditors (now beneficiaries) for:
 - ensuring the company and/or other third parties make their payments, transfer property and satisfy any other obligations to the Trustees;
 - determining how much each of the former creditors is entitled to receive from the trust; and
 - distributing monies to those former creditors in their capacity as beneficiaries of the trust.

7.7.5. Termination and variation of the creditors’ trust deed

The creditors’ trust deed for the company will usually provide for the termination of the trust under certain conditions, such as:

- complete distribution of the trust fund has been made in accordance with the terms of the creditors’ trust deed; or
- the expiry of a perpetuity period (80 years).

The trustees may vary the creditors’ trust deed by resolution passed at a meeting of creditors, but only if the variation is not materially different from the proposed variation set out in the notice of meeting.

7.7.6. Moratorium

A moratorium upon actions against the Companies, as outlined in section 444E of the Act, applies during the period of the DOCA.

Additionally, the creditors’ trust deed will stipulate, subject to the terms of the creditors’ trust deed and section 444D of the Act, creditors shall not take action or steps to enforce their rights to recover any of their entitlements whilst the Trustees remain the Trustees of the trust on the terms of the creditors’ trust deed.

7.8. Disclosures: effect on employees

7.8.1. Effect on employees – liquidation

Position as priority creditors

Employees are afforded a priority in the winding up of a company compared to ordinary unsecured creditors. The order of priority for typical employee claims is as follows:

- amounts due in respect of wages, superannuation and superannuation guarantee charge outstanding as at the date of the appointment of Administrators; followed by

- amounts due in respect of leave of absence and other amounts due under the terms of an industrial instrument; followed by
- retrenchment payments.

Return to employees if the Companies are wound up

Section 8 includes details about the estimated return to creditors if the Companies are wound up and a liquidator appointed.

Government assistance available if the Companies are wound up

If there are insufficient funds available to satisfy employees' claims from the Companies' property, eligible employees may be entitled to lodge a claim for their unpaid entitlements under the Federal Government's FEG scheme. The FEG scheme provides financial assistance to employees of companies in liquidation, subject to eligibility requirements being met, to pay unpaid wages, annual leave, long service leave, pay in lieu of notice and redundancy, up to prescribed limits. The FEG scheme does not cover unpaid superannuation.

Further information on the FEG scheme, including eligibility requirements and what the FEG scheme covers, is available here: <https://www.dewr.gov.au/fair-entitlements-guarantee>.

7.8.2. Effect on employees – DOCA

As mentioned above, employees should note the FEG Scheme is not available to employees where the Companies executes a DOCA.

As outlined at section 7.4.5:

- payment for SGC and leave and retrenchment entitlements for former employees have been paid in full; and
- continuing employees will continue to have their leave entitlements paid in the ordinary course and it is otherwise anticipated there will be sufficient funds in the Companies to cover retrenchment entitlements in the event of any terminations.

7.9. Disclosures: effect on shareholders

7.9.1. Effect on shareholders – liquidation

In accordance with section 563A of the Act, in a liquidation, claims by shareholders are subordinated until all other debts payable by the company have been satisfied.

Our estimated return to creditors outlined at section 8 demonstrates there would be no return to shareholders if WMC was liquidated.

7.9.2. Effect on shareholders – DOCA

There is no return to shareholders however the time afforded by the current DOCA proposal will maximise the chances of the Companies (or as much as possible of their business) continuing in existence, possibly preserving some shareholder value.

7.10. Other matters relevant for consideration

Creditors should be aware of the following additional information when deciding whether to accept the proposed DOCA or to place the Companies into liquidation.

7.10.1. Liquidators' recoveries

Once executed, the proposed DOCA binds all the Companies' creditors in respect of claims arising on or prior to the date the DOCA is expressed to take effect. This includes unsecured creditors who may have voted against the DOCA. The DOCA also binds the Companies, its officers, members, and the Deed Administrators.

If the DOCA is accepted by creditors, creditors will forgo any insolvent trading or voidable transaction recoveries as these recoveries are only available to the Companies' liquidators (should the Companies be placed into liquidation). As discussed in Section 6 of this report, although we have identified potential voidable transaction claims which could be pursued for the benefit of creditors, further investigations would be required to confirm the likelihood and quantum of recoveries.

A liquidator would need to complete all statutory investigations to determine if any recoveries are available, including those which may not have been identified by us to date. We note if the DOCA fails and the Companies are wound up, our ability to seek recovery of voidable transactions (if subsequently identified) is retained.

7.10.2. Moratorium

Subject to section 444E of the Act, creditors bound by a DOCA cannot:

- make an application for an order to wind up the Companies;
- proceed with an application in connection with the winding up of the Companies made before the DOCA became binding on the creditors;
- begin or continue any proceeding against the Companies or in relation to any of its property (except with leave of the Court);
- exercise any right of set-off or crossclaim against the Companies;
- begin or continue with any enforcement process in relation to the Companies' property (except with leave of the Court); or
- commence or proceed in arbitration against the Companies or in which the Companies are a party.

8. Estimated return to creditors

8.1. Administrators' estimated statement of position

We have prepared an estimated return to creditors based on a liquidation and DOCA scenario. In a liquidation scenario, the Companies will effectively immediately cease to trade whereas in a DOCA scenario, the Companies will continue to trade whilst pursuing the sale and recapitalisation process. A DOCA is estimated to provide a higher return to unsecured creditors than a liquidation.

We set out below assumptions, estimated return and timing of returns to creditors under liquidation and DOCA scenarios. Please refer to the following pages for further details on the estimated return to creditors.

<i>Item</i>	<i>Liquidation</i>	<i>DOCA</i>
Scenario	Assumes processing operations cease at commencement of the liquidation, whilst dewatering of the underground mine is maintained to facilitate a future restart of underground operations at some point in the future (following a liquidation sale of Wiluna's assets to a new purchaser).	Wiluna creditors vote in favour of the DOCA proposal to facilitate the strategic turnaround plan for Wiluna to maximise returns to creditors, resulting in DOCA effectuation and transition of the Companies to a new board of directors. DOCA avoids the value destruction which would result from an immediate winding up of Wiluna under a liquidation scenario.
Assumptions	A high and low range has been provided after considering factors including project risk (rates of return) and an orderly liquidation sale.	All elements of the strategic turnaround plan are executed including creditors resolving to execute the DOCA and completion of the capital raise.
Realisation Timeframe	Approximately: 6 months for a liquidation sale; and - at least a period of 2 years (i.e., June 2025) for realisation of potential recoveries of voidable transactions (if any), noting these recoveries are inherently uncertain, costly to pursue, and require further detailed investigations by a liquidator.	Contemplates completion of the strategic turnaround plan for Wiluna under the proposed DOCA by 31 December 2024.
Employees	Certain employees terminated and a reduced workforce is retained until completion of a liquidation sale. In a low range scenario, these employees would be terminated whereas in a high range scenario these employees would transfer to a new purchaser.	All current employees retain employment with Wiluna on current conditions.
Legal Entities	Unless pooling orders are made, each company must be administered as a separate legal entity in a liquidation scenario.	The Wiluna structure remains unchanged, and intercompany loans remain on foot.

Estimated return to creditors

8.1.1. Estimated statement of position – Liquidation

We have prepared the below estimated return to creditors in a liquidation scenario and provided overleaf are our notes and assumptions.

Administrators' estimated statement of position		WMC		WOPL		Kimba		Scaddan		Subsidiaries		Total	
Notes		Liquidation Low	Liquidation High	Liquidation Low	Liquidation High	Liquidation Low	Liquidation High	Liquidation Low	Liquidation High	Liquidation Low	Liquidation High	Liquidation Low	Liquidation High
Non-circulating assets													
1	Mine value & tenements	412,712	1,041,066	17,852,623	45,033,241	1,689,405	4,261,524	45,260	114,168	Nil	Nil	20,000,000	50,450,000
2	Less: First ranking secured claim owing to Mercuria at appointment											(52,629,577)	(52,629,577)
2	Less: Six (6) months of accrued interest											(4,200,000)	(4,200,000)
	Surplus/(shortfall) from non-circulating assets											(36,829,577)	(6,379,577)
3	Net circulating assets (net trading position)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Recoveries from related party debts													
4	From WOPL	170,757	617,164	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
4	From Kimba	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
4	From Scaddan	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
	Total recoveries from related party debts	170,757	617,164	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Liquidators' claims													
5	Voidable recoveries	Nil	Nil	1,207,715	2,000,000	Nil	Nil	Nil	Nil	Nil	Nil		
6	Insolvent trading actions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
7	Legal fees	(45,000)	(30,000)	(500,000)	(600,000)	Nil	Nil	Nil	Nil	Nil	Nil		
7	Liquidators remuneration and disbursements	(200,000)	(150,000)	(500,000)	(700,000)	(20,000)	(15,000)	(20,000)	(15,000)	(55,000)	(45,000)		
	Total liquidator claims	(245,000)	(180,000)	207,715	700,000	(20,000)	(15,000)	(20,000)	(15,000)	(55,000)	(45,000)		
	Carry forward surplus from non-circulating assets (apportioned based on mine value)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
	Other net recoveries available to unsecured creditors	(74,243)	437,164	207,715	700,000	(20,000)	(15,000)	(20,000)	(15,000)	(55,000)	(45,000)		
	Funds available for unsecured creditor claims	Nil	437,164	207,715	700,000	Nil	Nil	Nil	Nil	Nil	Nil		

Administrators' estimated statement of position		WMC		WOPL		Kimba		Scaddan		Subsidiaries		Total	
\$AUD	Notes	Liquidation Low	Liquidation High	Liquidation Low	Liquidation High	Liquidation Low	Liquidation High	Liquidation Low	Liquidation High	Liquidation Low	Liquidation High	Liquidation Low	Liquidation High
Unsecured creditor claims													
Shortfall to Mercuria		36,829,577	6,379,577	36,829,577	6,379,577	36,829,577	6,379,577	36,829,577	6,379,577	36,829,577	6,379,577		
Estimated shortfall to financiers on leases (forced liquidation value)	8	Nil	Nil	127,939	127,939	Nil	Nil	Nil	Nil	Nil	Nil		
Related party creditor loans		Nil	Nil	360,731,980	360,731,980	31,213,839	31,213,839	9,304,663	9,304,663	1,609,997	1,609,997		
Unrelated unsecured creditor claims	8	3,223,426	3,223,426	39,910,370	39,910,370	Nil	Nil	Nil	Nil	Nil	Nil		
Preference recoveries - add back		Nil	Nil	1,207,715	2,000,000	Nil	Nil	Nil	Nil	Nil	Nil		
Total unsecured claims		40,053,003	9,603,003	438,807,581	409,149,866	68,043,416	37,593,416	46,134,240	15,684,240	38,439,574	7,989,574		
Return to unsecured creditors													
Mercuria		Nil	(290,422)	(17,434)	(10,915)	Nil	Nil	Nil	Nil	Nil	Nil		
Financiers on leases		Nil	Nil	(61)	(219)	Nil	Nil	Nil	Nil	Nil	Nil		
Related party creditor loans		Nil	Nil	(170,757)	(617,164)	Nil	Nil	Nil	Nil	Nil	Nil		
Unrelated unsecured creditor claims		Nil	(146,742)	(18,892)	(68,281)	Nil	Nil	Nil	Nil	Nil	Nil		
Preference recoveries - add back		Nil	Nil	(572)	(3,422)	Nil	Nil	Nil	Nil	Nil	Nil		
Total paid to unsecured creditors		Nil	(437,164)	(207,715)	(700,000)	Nil	Nil	Nil	Nil	Nil	Nil		
<i>Unsecured creditors distribution rate (c/\$)</i>		<i>0.00%</i>	<i>4.55%</i>	<i>0.05%</i>	<i>0.17%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>		
Surplus funds available for shareholders	9	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		

Notes to estimated statement of position – liquidation

1. Mine value & tenements

We undertook a sale campaign for Wiluna which included obtaining an independent valuation on the value of the mine and tenements. The valuation is commercial in confidence as it may prejudice any future sale campaign.

For the purposes of the estimated return, we have prepared an estimate of the value of the mine which is inclusive of the JVA with A-Cap, tailings, plant and equipment, intellectual property and goodwill associated with the mine and tenements. These values are representative of the estimated net sale proceeds.

In a liquidation scenario, a high and low range has been provided after considering factors including project risk (rates of return) and noting that lower sale proceeds are expected in an orderly liquidation sale.

Our realisation estimates are predicated on each entities' proportionate ownership of the mine value and tenements in Wiluna's management accounts as of 30 June 2022. They are presented here to illustrate the estimated outcome and may not actually represent the allocation of any surplus funds following any sale.

We do not anticipate Wiluna's interest in shares in listed entities or security bonds to have any commercial realisable value and are therefore excluded from this analysis.

2. First ranking secured debt – Mercuria

Mercuria was owed USD\$36,788,112 as at the commencement of the Administration and we have made a principal repayment to Mercuria of USD\$1 million. Therefore, the principal amount owing to Mercuria is USD\$35,788,112 which is equivalent to approximately AUD\$52.6 million, however this amount will change dependent on the relevant exchange rate. We have continued to pay interest accrued on the Mercuria's secured debt since appointment.

For illustrative purposes, we have provided for accrued interest for a six (6) month period, estimated at AUD\$700,000 per month.

WMC is the principal borrower and the other Wiluna entities have guaranteed the facility, and therefore Mercuria will take priority to the net proceeds from the non-circulating assets. Any surplus will be made available to other creditors.

3. Net circulating assets (net trading position)

In a DOCA scenario, we anticipate current cash reserves and future sales from gold doré will be sufficient to cover operating costs and the fees and expenses incurred going forward during the Administration and any DOCA and to discharge outstanding employee entitlements in full.

Further, funding to be made available under the DOCA arrangements will be applied to upgrading the CIL circuit to improve production with a view to reducing secured debt.

In a liquidation scenario, operations will likely cease at the commencement of the liquidation and thus there will be no revenue generated from this point in time, save for any gold doré available for sale at the commencement of the liquidation. In this scenario, certain employees would be terminated, and a reduced workforce retained to assist with the ongoing care and maintenance of the underground mine to facilitate a sale of the mine properties.

There is estimated to be sufficient net circulating assets available at the commencement of a liquidation to cover:

- the fees and expenses incurred in maintaining care and maintenance activities of Wiluna's underground mine;
- the fees and expenses incurred in the liquidation sale process; and
- entitlements of any employees terminated under a liquidation scenario.

If a surplus net circulating asset / net trading position existed under a liquidation scenario, such funds would form part of Mercuria's security and would be made available to satisfy the shortfall they are likely to suffer from the non-circulating assets.

Any surplus is not anticipated to be a significant quantum and thus would unlikely satisfy Mercuria's secured debt in full.

In the event there is shortfall in net circulating assets, the liquidators would be entitled to apply the surplus recoveries from voidable transaction claims against this shortfall.

4. Related party debtors/creditors

In a liquidation scenario, related parties are entitled to prove as a creditor. There may be a recovery in WMC for its outstanding loan account owing from WOPL but any recovery is dependent on there being a dividend to unsecured creditors in WOPL. No other related party claims are anticipated to be recoverable.

These related party debtors are specifically excluded from the DOCA scenario. Further commentary regarding related party loans is provided in section 5.4.3.

5. Voidable recoveries

These recoveries relate to preferential payments that are only available in the event Wiluna is placed in liquidation and as outlined at section 6.4 are subject to further investigations and recovery actions.

There are no realisable recoveries anticipated in WMC or the other entities.

In determining the potential recovery from preferential payments to creditors in WOPL, regard must be had as to, amongst other things:

- the available funds to the liquidators (noting there is likely to be a shortfall from the net circulating assets) to pursue such claims which are not guaranteed and are costly to pursue; and
- any reasonable defences that these creditors may be able to establish that they may have had reasonable grounds to suspect WOPL was not insolvent or could reasonably suspect it was not insolvent at the time of the payments.

In a liquidation low side return scenario for WOPL, we estimate the recovery of preferential payments is limited to the value of the running account defence relating to the unfair preference payments as outlined in section 6.4.1.

In the liquidation high side return scenario for WOPL, we have assumed recovery of \$2 million from WOPL on the assumption that commercial outcomes for settlement of claims are negotiated with creditors.

If there are recoveries from unfair preference payments, these creditors may be eligible to prove as an unsecured creditor.

Further details regarding voidable transactions and possible recoveries available are discussed in section 6.4.

6. *Insolvent trading actions*

These recoveries are only available in the event Wiluna is placed in liquidation and are subject to further investigations and recovery actions.

Refer section 6.2 for further details regarding insolvent trading actions and possible available recoveries.

7. *Remuneration, disbursements and legal costs*

These estimates are representatives of the costs that may be incurred to pursue any potential voidable and insolvent trading actions that may be available in a liquidation scenario. These actions are not available in a DOCA scenario.

8. *Unsecured creditor claims*

This represents an estimate of all unsecured claims of Wiluna based on its records and PODs received to date. Related party creditor loans receive the same priority as other unsecured creditor claims under a liquidation scenario.

9. *Surplus to shareholders*

There is anticipated to be no surplus funds available to existing shareholders of WMC in a liquidation scenario.

8.1.2. Estimated statement of position – DOCA

As previously detailed in this report, the DOCA is one aspect of the broader strategic turnaround plan to raise new equity and restructure Wiluna's debt.

The DOCA's objective is to, amongst other things, provide unsecured creditors (i.e., Participating Creditors) with a greater return than would be available in a liquidation of the Companies.

As detailed in Section 7, various stakeholders, including Mercuria are not bound by the DOCA.

The DOCA is conditional upon Wiluna executing the broader turnaround plan involving executing final agreements with key stakeholders, whilst current employees will continue to be paid in the ordinary course.

The turnaround plan will enable an initial payment of \$1.8 million to unsecured creditors (i.e., the Participating Creditors in the DOCA), resulting in a return of approximately 5 cents in the dollar for unsecured creditor claims, and up to a cap of \$39 million, subject to adjudication of formal proofs of debt and assuming each of the Non-Participating Creditors do not participate as Participating Creditors.

The DOCA and Creditors' Trust otherwise provide a mechanism for unsecured creditors to:

- enable the Companies to continue to repay the balance of the claims of the Participating Creditors, following Mercuria being paid in full; and
- elect to convert their outstanding right and entitlement to receive a distribution from the Fund into WMC shares.

The maximum rate of return to unsecured creditors in a DOCA scenario cannot therefore be quantified at this stage but the DOCA provides for the opportunity for unsecured creditors to receive a greater return than in a liquidation, up to a cap of \$39 million.

A return to unsecured creditors under a liquidation scenario remains highly dependent on there being a substantial recovery from any voidable transactions, which are not guaranteed and are costly to pursue.

8.2. Summary of estimated returns

Below is a summary of estimated returns to priority creditors and unsecured creditors in both a DOCA and liquidation scenario.

Estimated returns are presented on a 'cents in the dollar' basis.

Estimated returns and timing (cents in the dollar)										
Liquidation									DOCA/Creditors' Trust	
		WMC		WOPL		Subsidiaries				
Creditor	Note	Low	High	Low	High	Low	High	Est. Timing	Return	Est. Timing
Secured Creditors	8.3.1	0.73	1.83	31.41	79.24	3.05	7.70	3-6 months	See note	See note
Employee Creditors	8.3.2			See note				See note	See note	See note
Unsecured Creditors	8.3.3	0.00	4.55	0.05	0.17	N/A	N/A	2 years	~5	~3 months

Creditors must note:

- there is always a measure of imprecision associated with the forecasting of returns in an external administration;
- the estimates are prepared in good faith and are dependent on actual recoveries achieved and therefore must not be construed as an assurance as to the actual return to creditors;
- the level of return to the various categories of creditors in both scenarios is dependent not only on the value of surplus funds, but also on the level of claims adjudicated and admitted for a dividend; and
- the rate of return to unsecured creditors in a liquidation scenario are estimates only and are dependent on recoveries from voidable transactions (which would require more detailed investigation under a liquidation scenario and recovery of which are considered inherently uncertain) whereas the DOCA provides for a return to unsecured creditors of approximately 5 cents in the dollar, and the opportunity for unsecured creditors to receive further distributions.

8.3. Important notes

8.3.1. Secured creditors

In a DOCA scenario, Mercuria will not be bound by the DOCA and will therefore not receive a distribution from the Trust.

In a liquidation scenario, Mercuria maintains its security over Wiluna's assets and will receive proceeds from the sale of non-circulating assets. If Mercuria suffered a shortfall on its secured debt, it would receive the net surplus from circulating assets in the event priority employee creditor claims were paid in full. They will otherwise rank as unsecured creditor in the event they suffer a shortfall from their secured assets.

8.3.2. Priority employee creditors

Further to Section 7.8 above, we provide additional comments with respect to estimated returns to priority employee creditors comprising both former and current employees.

Estimated returns to employees in a DOCA

Employees have a statutory priority for payment in respect of outstanding entitlements owing as of 20 July 2022 (appointment date) such as for unpaid wages, superannuation, annual leave, long service leave, payment in lieu of notice and redundancy.

Former employees

Ordinarily, the quantum and timing of payment of employee entitlements is determined following the outcome of the Meeting.

As former employees had not been paid their accrued priority employee entitlements and there were sufficient funds to pay such entitlements, we applied to the Court on 21 April 2023 and subsequently obtained orders on 6 June 2023 consenting to the early payment of employee entitlements prior to the Meeting for amounts due and payable.

In this regard, we advise:

- payment of the SGC for unpaid superannuation owing to both current and former employees at the commencement of the Administration has been paid to the ATO. SGC is inclusive of superannuation shortfall, nominal interest, and administration charges; and
- former employees were paid their leave and retrenchment entitlements in full.

Current employees

Entitlements owed to current employees will be preserved and met in the normal course of business under the DOCA proposal. Current employment contracts of employees with the Companies will remain unchanged under the DOCA.

Whilst we will continue to meet payment of current staff entitlements in the ordinary course during the DOCA period, current employees can elect to have their pre-appointment leave entitlements paid now, conditional on:

- leave accruals will reduce by the amount paid out and leave accruals will otherwise accrue in the ordinary course; and
- any entitlement of long service leave is dependent on milestone years of service which is ten (10) years of continuous service in the state of Western Australia and any pro-rata portion will not be paid out.

Retrenchment entitlements will only become due and payable should their employment cease because of termination, in which case, there is anticipated to be sufficient funds available to meet any outstanding entitlements.

If creditors resolve to accept the DOCA, employees wishing to elect to have their pre-appointment leave entitlements paid now are requested to notify this office.

Current employees are to be treated as Non-Participating Creditors under the DOCA arrangements as their entitlements will be paid as part of ongoing trading.

Estimated returns to employees in a Liquidation

In a liquidation scenario, operations will likely cease at the commencement of the liquidation or shortly thereafter. This would result in the termination of certain employees, and a reduced workforce retained to assist with necessary care and maintenance activities, whilst the liquidators pursue a sale of the Wiluna Gold Mine.

It is estimated there would be sufficient available funds at the commencement of a liquidation to immediately pay employees terminated as a consequence of the liquidation, their outstanding entitlements, inclusive of leave and retrenchment.

In the event there are insufficient funds available to satisfy these entitlements from the Companies' funds at that time, eligible employees may be entitled to lodge a claim for their unpaid entitlements under the FEG scheme.

Section 7.4.5 above provides details of the Federal Government's FEG scheme available to employees in the event of a liquidation. Although the FEG scheme is available to eligible employees in a liquidation, FEG does not extend to outstanding superannuation.

8.3.3. Unsecured creditors

Under the DOCA scenario, there will be an initial payment totalling \$1.8 million to Participating Creditors resulting in a return of approximately 5 cents in the dollar of unsecured creditor claims, subject to adjudication of unsecured creditor claims and assuming each of the Non-Participating Creditors do not participate as Participating Creditors.

Subject to the cap of \$39 million, the DOCA otherwise provides a mechanism for unsecured creditors to:

- enable the Companies to continue to repay the balance of the claims of the Participating Creditors, following Mercuria being paid in full; or
- elect to convert their outstanding right and entitlement to receive a distribution from the Fund into WMC share.

In a liquidation scenario, there may be a return to unsecured creditors in both WMC and WOPL, but any return would be dependent on there being a substantial recovery from any voidable transactions, recovery of which is not guaranteed, costly and time consuming to pursue.

8.3.4. Impact on related Wiluna parties

The DOCA prevents related parties from participating in the conversion of intercompany loans to debt-to-equity in WMC.

In a liquidation scenario, related parties are entitled to prove as a creditor.

There may be a recovery in WMC for its outstanding loan account owing from WOPL, but any recovery is dependent on there being a dividend to unsecured creditors in WOPL. No other related party claims are anticipated to be recoverable.

8.3.5. Impact on shareholders

There is no return to shareholders however the DOCA proposal intends to maximise the chances of the Companies (or as much as possible of their business) continuing in existence, possibly preserving some shareholder value.

In addition, a key aspect of the DOCA is a capital raising and thus there will be new issued capital in WMC.

In a liquidation, claims by shareholders are subordinated in accordance with section 563A of the Act until all other debts payable by WMC have been satisfied. Our estimated return to creditors outlined above demonstrates there will be no return to creditors in a liquidation. Accordingly, there would be no return to shareholders if Wiluna is liquidated.

9. Administrators' remuneration and receipts & payments

9.1. Voluntary Administrators' remuneration

9.1.1. Overview

The initial notification to creditors dated 22 July 2022 indicated our intention to claim remuneration on a time basis (hourly rates) to be charged FTI Consulting's standard hourly rates effective 1 July 2022.

The following summarises our remuneration incurred to date:

- At three meetings of the COI, the total aggregate remuneration approved by the COI for WMC and WOPL for the period 20 July 2022 to 28 February 2023 is \$4,471,168.50 (excluding GST).
- We have drawn remuneration from operational cash flow, whilst balancing current trading liability commitments.
- The following table summarises the remuneration claimed and paid to date:

Voluntary Administrators' remuneration (excluding GST)	WMC	WOPL	Total
Remuneration approved			
Remuneration for the period 20 July 2022 to 28 August 2022	464,427.00	1,151,383.00	1,615,810.00
Remuneration for the period 29 August 2022 to 31 October 2022	371,562.50	962,746.00	1,334,308.50
Remuneration for the period 1 November 2022 to 28 February 2023	401,301.00	1,119,749.00	1,521,050.00
Total approved	1,237,290.50	3,233,878.00	4,471,168.50
Less remuneration paid to date	(1,236,142.50)	(3,233,878.00)	(4,470,020.50)
Remaining remuneration approval	1,148.00	-	1,148.00

- No remuneration has been sought or paid to date in the Administration of the other entities comprising Wiluna Gold, Kimba, Zanthus, Lignite and Scaddan for remuneration totalling approximately \$38,000 (excluding GST).
- In the event there are surplus assets made available to these entities, it will be necessary to seek the approval from creditors, or the Court, for such remuneration.

9.1.2. Initial remuneration estimate

In our initial notification to creditors dated 22 July 2022, we provided an initial remuneration estimate for undertaking the administration collectively between \$1,975,000 and \$3,990,000 (excluding GST), subject to:

- the full scope and extent of necessary work; and
- the date of the second meeting of creditors.

Ordinarily, the second meeting of creditors is held within 25 business days of the date of the Administrators' appointment. An exception to this is if the second meeting is convened and adjourned for a period not longer than 45 business days, or in instances where the Court grants an extension of the convening period.

The Administrators made three (3) applications to the Court to extend the convening period as detailed in section 4.4. Our remuneration to date reflects the complexity of the Administration and the resulting extension of the Administration.

9.1.3. Second meeting of creditors and remuneration approval requests

In accordance with section 60-10(1)(a) of the IPS, creditors of WMC and WOPL will be asked to fix the remuneration and disbursements as follows:

- our outstanding remuneration and disbursements incurred between 1 March 2023 to 16 June 2023, and our future work in the Administration between 17 June 2023 to 7 July 2023; and
- if Deed Administrators are appointed, from 7 July 2023 to the execution of the DOCA; or alternatively
- if Liquidators are appointed, for the liquidation period.

This is summarised below. All amounts are exclusive of GST.

Remuneration sought (excluding GST)	WMC	WOPL	Total
Voluntary Administration			
Voluntary Administration - 1 March 2023 to 16 June 2023	235,018.00	868,700.50	1,103,718.50
Voluntary Administration - 17 June 2023 to 7 July 2023	116,000.00	208,000.00	324,000.00
Total in Voluntary Administration	351,018.00	1,076,700.50	1,427,718.50
And if the creditors resolve that the Company execute a Deed of Company Arrangement			
Voluntary Administration - 7 July 2023 to execution of the Deed of Company Arrangement	103,500.00	126,500.00	230,000.00
Total in DOCA	103,500.00	126,500.00	230,000.00
Or if the creditors resolve that the Company be wound up in liquidation			
Liquidation - 7 July 2023 to conclusion of the liquidation	879,000.00	1,296,000.00	2,175,000.00
Total in Liquidation	879,000.00	1,296,000.00	2,175,000.00

Deed Administrators of the Companies and Trustees of the Creditors' Trust

Assuming creditors resolve to accept the DOCA, the table below sets out our total remuneration estimate in our role as Deed Administrators of the Companies and Trustees of the Creditors' Trust.

All amounts are exclusive of GST.

Estimated remuneration for Deed Administrators / Creditors' Trust (excluding GST)	WMC	WOPL	Other subsidiaries	Total
Commencement to conclusion of the Deed Administration	672,000.00	1,332,500.00	40,000.00	2,044,500.00
Commencement to conclusion of the Creditors' Trust	N/A	N/A	N/A	470,500.00
DOCA subtotal	672,000.00	1,332,500.00	40,000.00	2,515,000.00

This estimate is subject to several variables which would have a material impact on the current remuneration estimate.

Such variables include but are not limited to:

- the extent of ongoing trading of the Companies' operations during the Deed Administration period;
- the full scope and extent of necessary work in satisfying the conditions precedent of the DOCA, in particular, conducting the capital raise;

- the extent of Participating Creditors' claims and the tasks necessary to adjudicate on such claims, including dealing with any disputes of the Trustees' determination of claims; and
- the actual length of the Deed Administration and Creditors' Trust.

Given the uncertainty of the above variables, we will not be seeking remuneration approval from creditors at this stage for:

- the commencement to conclusion of the Deed Administration period; and
- the commencement to conclusion of the Creditors' Trust.

We will seek approval from creditors (or of any relevant committee formed) of the DOCA and/or beneficiaries of the Creditors' Trust at a future date as required.

9.2. Receipts and payments

Details regarding the actual cash receipts and payments from the date of the Administration to 16 June 2023 are summarised below.

9.2.1. WMC

WMC is the listed entity and is reliant on the financial position of WOPL to meet its external costs.

WMC receipts and payments

AUD

Receipts	
GST refund	1,445,733
Other receipts	594,864
Pre-appointment cash	1,682,000
Intercompany transactions	15,779,851
Gold sales	594,737
Total receipts	20,097,186
Payments	
Corporate	(1,024,902)
Freight	(2,635)
GEO	(48,735)
Insurance	(1,832,584)
Intercompany transactions	(8,696,100)
Legal fees	(1,457,065)
Mining	(28,885)
Other restructuring costs	(655,850)
Payroll and on-costs	(1,225,021)
Retention bonus and on-costs	(3,861)
Royalties	(3,603,361)
Technical advisor fees	(5,077)
Voluntary Administrators' fees	(1,404,590)
Total payments	(19,988,665)
Cash balance as at 16 June 2023	108,520

9.2.2. WOPL

WOPL is the operator of the gold mine and holds bank accounts in AUD and USD. Receipts comprise of gold in concentrate and gold doré sales. Payments comprise of trading and supplier payments, payroll costs for site employees and interest payments to Mercuria.

WOPL receipts and payments	Local currency (\$)	USD:AUD FX rate	AUD
Receipts			
Gold sales	26,867,155		26,867,155
GST Refund	7,509,282		7,509,282
Concentrate sales (USD)	60,822,953	1.46	88,801,511
Intercompany transactions	64,790,791		64,790,791
Other receipts	637,251		637,251
Pre-appointment cash	3,180,760		3,180,760
Total receipts	163,808,192		191,786,751
Payments			
Accommodation	(2,657,515)		(2,657,515)
Capital	(1,237,534)		(1,237,534)
Corporate	(715,906)		(715,906)
Finance leases	(1,791,681)		(1,791,681)
Financial advisor fees	(57,283)		(57,283)
Flights	(3,606,197)		(3,606,197)
Freight (USD)	(315,192)	1.46	(460,180)
Freight	(4,134,018)		(4,134,018)
Fuel	(6,869,492)		(6,869,492)
Gas	(2,034,402)		(2,034,402)
GEO (USD)	(77,433)	1.46	(113,051)
GEO	(721,759)		(721,759)
Intercompany transactions (USD)	(42,884,456)	1.46	(62,611,306)
Intercompany transactions	(8,846,250)		(8,846,250)
Maintenance	(5,144,818)		(5,144,818)
Mercuria loan interest (USD)	(6,086,867)	1.46	(8,886,825)
Mining	(2,037,949)		(2,037,949)
MRF and EPL	(237,365)		(237,365)
Other restructuring costs	(270,725)		(270,725)
Payroll and on-costs	(16,156,420)		(16,156,420)
Power	(5,383,005)		(5,383,005)
Processing	(7,610,735)		(7,610,735)
Processing (USD)	(183,212)	1.46	(267,489)
Projects	(74,457)		(74,457)
Rent and rates	(380,619)		(380,619)
Retention bonus and on-costs	(48,627)		(48,627)
Royalties	(11,693)		(11,693)
SURF OP	(34,675)		(34,675)
Technical advisor fees	(675,977)		(675,977)
Underground	(26,490,172)		(26,490,172)
Voluntary Administrators' fees	(3,625,622)		(3,625,622)
Total payments	(150,402,056)		(173,193,749)
Cash balance as at 16 June 2023	13,406,136		18,593,002

9.2.3. Other Wiluna entities

Provided below is a summary of Kimba's and Scaddan's receipts and payments:

Scaddan receipts and payments		AUD
Receipts		
Pre-appointment cash		3,438
Intercompany transactions		74,350
Total receipts		77,788
Payments		
Rent and rates		(71,581)
MRF and EPL		(2,133)
Corporate		(290)
Total payments		(74,004)
Cash balance as at 16 June 2023		3,784

Kimba receipts and payments		AUD
Receipts		
Pre-appointment cash		7,753
Intercompany transactions		760,000
Other receipts		15,267
Total receipts		783,020
Payments		
Corporate		(290)
MRF and EPL		(140,172)
Rent and rates		(624,261)
Total payments		(764,722)
Cash balance as at 16 June 2023		18,298

There have been no other receipts nor payments in the other Wiluna entities.

10. Administrators' opinion and recommendation

10.1. Opinion and recommendation to creditors

10.1.1. What creditors can decide at the meeting

At the second meeting of creditors, creditors are required to decide whether:

- the Companies should execute a DOCA;
- the administration of the Companies should end; or
- the Companies should be wound up.

In accordance with the requirements of section 75-225 of the IPR, we must provide an opinion on each of the above options, and whether the option is in the creditors' interests.

10.1.2. Administrators' opinions on the options available to creditors

Execution of a deed of company arrangement

We consider it would be in the creditors' interests for the Companies to execute the DOCA on the terms proposed for the following reasons:

- unsecured creditors receive a dividend of approximately 5 cents in the dollar and there is the opportunity for further pro-rata distributions, up to a cap of \$39 million, which is the approximate balance of the total currently known Participating Creditors should Wiluna be successfully recapitalised, whereas a return in a liquidation scenario is not guaranteed and highly dependent on the recovery of voidable transactions;
- it will provide for an opportunity for the business to continue as a going concern (in accordance with section 435A of the Act);
- retain ongoing employment, and outstanding employee entitlements will be paid in the ordinary course for retained employees;
- the proposed DOCA will be implemented as part of a broader strategic turnaround involving Wiluna's key stakeholders to find a long term financially sustainable solution for Wiluna including a recapitalisation of the Wiluna group. The DOCA is a critical aspect of the sale and/ recapitalisation; and
- we believe there appears to be less uncertainty under the DOCA proposal compared to a liquidation scenario and it is likely all classes of creditors will potentially receive a better outcome under the DOCA proposal, compared to only secured creditors receiving a return if the Companies are placed into liquidation which would likely result in significant value destruction to Wiluna's assets and termination of the majority of the remaining workforce.

The Administration comes to an end

If the creditors vote for this alternative, control of the Companies would revert to the Directors following the forthcoming meeting of creditors.

Without the benefit of the terms of the DOCA, the Companies are insolvent with insufficient cash to pay the Companies' debts and no confirmed prospects of obtaining external funding. Therefore, we do not consider it would be in the creditors' interests for the Administration to end.

The Companies are wound up

We do not consider it would be in the creditors' interests for the Companies to be wound up as the proposed DOCA will likely provide a better return or otherwise outcome for all classes of creditors compared to only secured creditors receiving a return in a liquidation scenario.

If the Companies were to enter into liquidation at present, Mercuria will likely suffer a significant shortfall on its secured debt, and there would be no return to ordinary unsecured creditors, unless there were significant recoveries from voidable transactions, which are not guaranteed and costly to pursue.

Although we have identified the Companies had likely traded for a period whilst insolvent, we do not consider any potential claims would be feasible against the Directors as set out in section 6.2 of this report.

10.1.3. Administrators' opinion on voidable transactions

It is the opinion of the Administrators there may be payments made from the Companies which could be considered voidable against the liquidators. This has been discussed in section 6.4 of this report.

Dated: 30 June 2023



Kate Warwick

Joint and Several Administrator

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11. Appendix 1 – Glossary and terms of reference

Item	Definition
%	Percent
\$, A\$ or AUD	Australian dollar, unless otherwise stated
A-Cap	A-Cap Resources Limited
Act	Corporations Act 2001 (Cth)
Administration / Voluntary Administration	Voluntary Administration of Wiluna Group
Administrators / Voluntary Administrators / Deed Administrators / Trustees	Michael Ryan, Kate Warwick, Ian Francis and Daniel Woodhouse
Administrators' Report	Administrators' Report pursuant to section 75-225 of the IPR
AGM	Annual general meeting
AJG	Arthur J Gallagher
amicaa	amicaa Advisors Pty Ltd, the Administrators' appointed advisor
ASIC	Australian Securities and Investments Commission
ASIC v Plymin	<i>ASIC v Plymin</i> (2003) 46 ACSR 126
ASX	Australian Securities Exchange
ATO	Australian Taxation Office (incorporating the Deputy Commissioner of Taxation, as applicable)
Au	Gold
ByrneCut	ByrneCut Australia Pty Ltd
C&M	Care and maintenance
c/-	Care of
CA	Confidentiality agreement
CIL	Carbon-in-leach
COI	Committee of Inspection
Creditors' Trust	Wiluna Group Creditors' Trust
Creditors' Trust Deed	The trust deed establishing the Wiluna Group Creditors' Trust

Item	Definition
Companies / Wiluna / Wiluna Group	Wiluna Mining Corporation Limited and its associated entities (All Administrators Appointed)
COVID-19	Coronavirus disease 2019 pandemic
Directors	Rowan Johnston, Colin Jones and Hansjoerg Plaggemars
DIRRI	Declaration of independence, relevant relationships and indemnities
DMIRS	Department of Mines, Industry Regulation and Safety
DOCA	Deed of Company Arrangement
EOI	Expressions of interest
ERV	Estimated realisable value
FEG	Fair Entitlements Guarantee
First meeting of creditors	Initial meeting on 1 August 2022
Franco-Nevada	Franco-Nevada Australia Pty Ltd
FY19, FY20, FY21, FY22 and FY23	Financial years ended/ending 30 June 2019, 30 June 2020, 30 June 2021, 30 June 2022 and 30 June 2023
g/t	Grams per tonne
GPD	Gold Purchase Deed
GST	Goods and Services Tax, as applicable in Australia
Guide	ASIC updated Regulatory Guide 82
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations)
JV	Joint venture
JVA	Joint venture agreement
k	Thousand
koz	Thousand ounces
Kesli	Kesli Chemicals Pty Ltd
Kimba / Kimba Resources	Kimba Resources Pty Ltd ACN 106 123 951 (Administrators Appointed)
Lignite	Lignite Pty Ltd ACN 128 111 204 (Administrators Appointed)
LOM	Life of mine
LSE	London Stock Exchange
m	million
M&A	Merger and acquisition
Mercuria	Mercuria Energy Trading Pte Ltd
Mining One	Mining One Pty Ltd

Item	Definition
Mr Jerkovic	Milan Jerkovic, former director of Wiluna
Moz	Million ounces
Mt	Million tonnes
NBIO	Non-binding indicative offer
NPAT	Net profit after tax
NPV	Net present value
NRV	Net realisable value
Osisko	Osisko Bermuda Limited
oz	Ounces
pa	Per annum
POD	Proof of debt
PPSR	Personal Property Securities Register
Prospectus	Prospectus filed by WMC with the ASX on 24 May 2022
Pty Ltd	Proprietary Limited
Q1	Quarter 1, i.e. July to September
Q2	Quarter 2, i.e. October to December
Q3	Quarter 3, i.e. January to March
Q4	Quarter 4, i.e. April to June
ROCAP	Report on Company Activities and Property
RG217	ASIC Regulatory Guide 217 – Duty to prevent insolvent trading
Safe Harbour	section 588GA of the Act
Scaddan / Scaddan Energy	Scaddan Energy Pty Ltd ACN 128 388 634 (Administrators Appointed)
SGC	Superannuation Guarantee Charge
T/A	Trading as
Trafigura	Trafigura Pte Ltd
Trismegist	Trismegist Pte Ltd
Trustees Act	Trustees Act 1962 (WA) or equivalent state or territory legislation)
TSF	Tailings Storage Facility
USD	United States Dollar
VDR	Virtual dataroom
WA	Western Australia
WH&S	Work health and safety

Item	Definition
WMC	Wiluna Mining Corporation Limited ACN 119 887 606 (ASX: WMC) (Administrators Appointed)
Wiluna Gold	Wiluna Gold Pty Ltd ACN 153 919 549 (Administrators Appointed)
WOPL	Wiluna Operations Pty Ltd ACN 166 954 525 (Administrators Appointed)
Xavier Group	Xavier Group Pty Ltd
YTD	Year to date
Zanthus / Zanthus Energy	Zanthus Energy Pty Ltd ACN 129 728 374 (Administrators Appointed)

11.1. Terms of reference

This report has been prepared for the creditors of Companies to assist them in evaluating their position as creditors and in deciding on the Companies' future. None of the Administrators, FTI Consulting and its staff shall assume any responsibility to any third party to which this report is disclosed or otherwise made available.

This report is based on information obtained from the Companies' records, the Directors and management of the Companies and from our own enquiries. While we have no reason to doubt the veracity of information contained in this report, unless otherwise stated we have proceeded on the basis that the information provided and representations made to us are materially accurate, complete and reliable. We have not carried out anything in the nature of an audit, review or compilation.

This report may contain prospective financial information, including estimated outcomes for creditors, and other forward looking information. As events and circumstances frequently do not occur as expected, there may be material differences between estimated and actual results. We take no responsibility for the achievement of any projected outcomes or events.

We reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to us between the date of this report and the forthcoming meeting of creditors.

Creditors should seek their own advice if they are unsure how any matter in this report affects them.

12. Appendix 2 – Companies' statutory information

12.1. Statutory information

12.1.1. Date of incorporation

As shown in the below table, the Wiluna companies were incorporated on various dates between 29 August 2003 and 26 November 2013.

Company	Date of incorporation
Wiluna Mining Corporation Limited	25 May 2006
Wiluna Operations Pty Ltd	26 November 2013
Kimba Resources Pty Ltd	29 August 2003
Lignite Pty Ltd	22 October 2007
Scaddan Energy Pty Ltd	9 November 2007
Wiluna Gold Pty Ltd	25 October 2011
Zanthus Energy Pty Ltd	15 February 2008

12.1.2. Registered address and principal place of business

ASIC's records disclose that the registered office and principal place of business of Wiluna is Level 3, 1 Altona Street, West Perth WA 6005.

Mining operations are carried out at Wiluna, Western Australia.

12.1.3. Directors and officers at appointment

The directors and officers of Wiluna at appointment are shown in the below table.

	WMC	WOPL	Kimba	Lignite	Scaddan	Wiluna Gold	Zanthus
Directors							
Hansjoerg Plaggemars	21/07/2021						
Colin Jones	10/12/2021						
Rowan Johnston	10/12/2021	06/07/2022	06/07/2022	06/07/2022	06/07/2022	06/07/2022	06/07/2022
Secretary							
Daniel Travers	03/05/2019	03/05/2019	03/05/2019	03/05/2019	03/05/2019	03/05/2019	03/05/2019

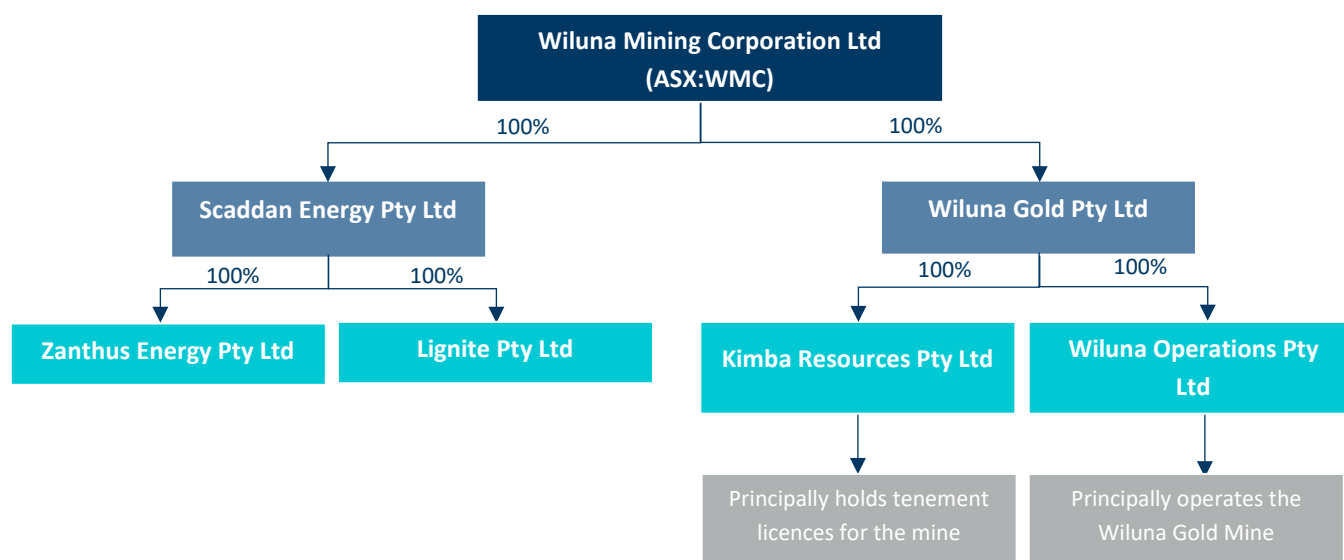
In the 12 months prior to our appointment, one director resigned from their position as director of the Companies. Mr Milan Jerkovic resigned as Director of the Wiluna entities on 6 July 2022.

12.1.4. Shareholders

At the commencement of the Administration, the ASIC register records show WMC had 362,136,735 shares on issue, with a paid-up capital of \$429,581,482.73. The following table sets out the top 20 shareholders of WMC:

Rank	Name	Shares held (m)	% held
1	Mr Maxim Geyzer	38.91	10.91%
2	Byrnecut Australia Pty Ltd	33.50	9.40%
3	HSBC Custody Nominees (Australia) Limited	22.91	6.42%
4	Sparta Ag	22.49	6.31%
5	Citicorp Nominees Pty Limited	21.74	6.10%
6	Delphi Unternehmensberatung Aktiengesellschaft	21.73	6.09%
7	2Invest Ag	14.19	3.98%
8	Delphi Unternehmensberatung Ag	13.11	3.68%
9	Bnp Paribas Nominees Pty Ltd	9.93	2.78%
10	JP Morgan Nominees Australia Pty Limited	8.73	2.45%
11	Ddh1 Drilling Pty Ltd	8.0	2.24%
12	Delphi Unternehmensberatung Aktiengesellschaft	7.46	2.09%
13	Heidelberger Beteiligungsholding Ag	7.32	2.05%
14	Deutsche Balaton Aktiengesellschaft	6.32	1.77%
15	Brispot Nominees Pty Ltd	5.98	1.68%
16	Delphi Unternehmensberatung Aktiengesellschaft	4.91	1.38%
17	HSBC Custody Nominees (Australia) Limited	4.90	1.38%
18	Interquip Construction Pty Ltd	4.68	1.31%
19	Bnp Paribas Nominees Pty Ltd Acf Clearstream	4.17	1.17%
20	Sparta Ag	3.15	0.88%

The following sets out the Wiluna corporate structure which sets out the ownership structure of the subsidiaries of WMC:



12.2. Details of security interests and charges

Below are details the security interests registered on the PPSR, plus any other prima facie valid charges that we are aware of.

WMC

Date registered	Secured party	Collateral class
13-Aug-20	Mercuria Energy Trading Pte Ltd	All PAAP and Account
30-May-22	Kesli Chemicals Pty Ltd	Other goods
Various	Multiple (10 registrations)	Motor Vehicle
Various	Multiple (15 registrations)	Other goods

WOPL

Date registered	Secured party	Collateral class
13-Aug-20	Mercuria Energy Trading Pte Ltd	All PAAP and Account
Various	National Australia Bank Ltd (20 registrations)	Motor Vehicle
Various	National Australia Bank Ltd (2 registrations)	Other Goods
30-May-22	Kesli Chemicals Pty Ltd	Other goods
07-Nov-17	DDH1 Drilling Pty Ltd (4 registrations)	Motor vehicle and other goods
Various	Toyota Finance (8 registrations)	Motor vehicle and other goods
06-Oct-20	ByrneCut Australia Pty Ltd and associated entities	Motor vehicle and other goods
10-Jun-21	Energy Power Systems	Motor vehicle and other goods
Various	Multiple (2 registrations)	Chattel Paper
Various	Multiple (53 registrations)	Motor Vehicle
Various	Multiple (100 registrations)	Other Goods
Various	Franco-Nevada Australia Pty Ltd	Mortgage (tenements)
Apr-18	Osisko Bermuda Limited	Caveat (tenements)

Wiluna Gold

Date registered	Secured party	Collateral class
13-Aug-20	Mercuria Energy Trading Pte Ltd	All PAAP and Account
16-May-22	QUBE Bulk Pty Ltd and associated entities (5 registrations)	Motor vehicle and other goods
02-Jun-22	West Auz Mining Pty Ltd	Motor vehicle and other goods

Kimba

Date registered	Secured party	Collateral class
13-Aug-20	Mercuria Energy Trading Pte Ltd	All PAAP and Account
30-Jan-12	Franco-Nevada	All PAAP / Mortgage (tenements)
Apr-18	Osisko Bermuda Limited	Caveat (tenements)

Scaddan

Date registered	Secured party	Collateral class
13-Aug-20	Mercuria Energy Trading Pte Ltd	All PAAP and Account

Zanthus

Date registered	Secured party	Collateral class
13-Aug-20	Mercuria Energy Trading Pte Ltd	All PAAP and Account

Lignite

Date registered	Secured party	Collateral class
13-Aug-20	Mercuria Energy Trading Pte Ltd	All PAAP and Account

13. Appendix 3 – Companies' historical financial performance

13.1. Historical financial information

The following historical financial information is presented on a consolidated basis. The following information was relied upon for the review:

- audited annual financial statements for FY19 to FY21; and
- unaudited management accounts as at FY22.

Our observations regarding Wiluna's balance sheet and profit and loss performance are provided at section 15.4.

13.1.1. Balance sheet summary

Consolidated Balance Sheet ('m)	Notes	Jun-19	Jun-20	Jun-21	Jun-22
Current Assets					
Cash and cash equivalents	1	0.7	8.9	54.1	17.2
Gold bullion receivable	2	2.9	1.9	0.1	0.1
Subtotal: cash and bullion in transit		3.6	10.8	54.1	17.3
Trade and other receivables	3	3.0	7.1	3.5	7.9
Inventory	4	16.3	15.8	26.1	14.5
Financial assets	5	0.0	0.0	2.5	0.0
Total Current Assets		22.9	33.7	86.3	39.7
Non-Current Assets					
Other receivables	6	-	0.6	0.7	0.7
Plant and equipment	7	45.2	63.6	85.7	123.3
Right of use asset	8	-	9.8	4.4	30.2
Financial assets	5	-	-	3.4	-
Mine properties	9	73.4	96.3	134.9	233.2
Exploration and evaluation expenditure	10	5.2	13.0	34.2	48.9
Total Non-Current Assets		123.7	183.2	263.3	436.2
Total Assets		146.7	216.9	349.6	475.9
Current Liabilities					
Trade and other payables	11	41.4	34.5	30.3	49.2
Lease liability on right of use assets	8	-	6.2	2.3	6.3
Financial liabilities	5	4.5	0.4	-	1.4
Provisions	12	1.1	1.4	2.1	2.3
Interest-bearing liabilities	13	11.9	0.2	9.9	18.8
Total Current Liabilities		58.9	42.6	44.5	78.1

Consolidated Balance Sheet ('m) (continued)	Notes	Jun-19	Jun-20	Jun-21	Jun-22
Non-Current Liabilities					
Lease liability on right of use assets	8	-	4.2	2.3	24.8
Financial liabilities	5	-	-	-	19.1
Provisions	12	25.4	31.4	34.3	34.7
Interest-bearing liabilities	13	0.2	0.1	48.4	42.3
Total Non-Current Liabilities		25.6	35.7	85.0	121.0
Total Liabilities		84.5	78.4	129.5	199.1
Net Assets		62.2	138.5	220.2	276.8

13.1.2. Balance sheet notes

1. Cash and cash equivalents

Cash and cash equivalents is predominantly made up of cash on hand. Recoveries from the available cash as at the Administration date are reflected in the receipts and payments provided in section 9.2.

2. Gold bullion receivable

Gold bullion receivable comprises gold received by the refiner but which had not yet been delivered into a sale contract.

3. Trade and other receivables

Trade and other receivables are primarily comprised of GST receivable and gold concentrate sales due, but also include trade receivable, fuel tax credits and other debtors.

Trade and other receivables	Jun-19	Jun-20	Jun-21	Jun-22
Trade debtors	406,521	349,061	220	4,833,100
Other debtors	1,743,336	5,024,232	506,964	967,376
Fuel tax credit receivable	121,498	290,159	207,349	110,092
GST receivable	722,948	1,411,681	2,788,851	2,011,032
Total	2,994,303	7,075,133	3,503,384	7,921,600

We have taken steps during the Administration to recover these receivables, including engaging with offtakers for the gold concentrate and filing returns with the ATO.

Recoveries from trade and other receivables are reflected in the receipts and payments provided at section 9.2.

4. Inventory

Inventory includes consumable stores, ore stockpiles and gold in circuit, and is measured at the lower of cost and net realisable value ("NRV"). The table below summarises inventory balances as at 30 June 2022.

Inventory	Jun-22
Reagents	1,842,140
Stock items	5,088,178
Gold in circuit @ cost	356.55oz @ \$2,195.31/t 903,217
Current stockpiles - Wiluna LG @ NRV	176,595oz @ \$21.65/t 3,795,469
Current stockpiles - Wiluna HG @ NRV	51,506oz @ \$20.44/t 1,052,635
Current stockpiles - Galaxy @ NRV	65,474oz @ \$22.96/t 1,503,202
Current stockpiles - WLM @ Cost	19,431oz @ \$16.00/t 310,824
Total	14,495,665

During the Administration, we have continued to deliver to Wiluna's gold concentrate and gold doré customers.

Recoveries from inventory are reflected in the receipts and payments provided at section 9.2.

5. *Financial assets and financial liabilities – gold forward contracts*

As part of the risk management policy, Wiluna entered into gold forward contracts with Mercuria to manage the gold price of a proportion of anticipated gold sales. Gold forward contracts were cancelled at the commencement of the Administration, for a net gain of \$3.2 million which was applied against the outstanding Mercuria debt.

Further, Wiluna had investments in several listed companies with a book value of approximately \$18k as at 30 June 2022.

6. *Other receivables*

Made up of restricted cash in the form of term deposits and bank guarantees to secure supply. These are often not recoverable in an external administration.

As the balance sheet is presented on a consolidated basis, it does not reflect the intercompany loans disclosed at section 5.4.3.

7. *Plant and equipment*

The plant and equipment is carried at historical cost less accumulated depreciation and impairment. The book value as at 30 June 2022 is summarised below.

Plant	Cost	Less accumulated depreciation	Less accumulated impairment	Book value
Plant & equipment	49,408,749	(13,624,193)	(7,028,334)	28,756,222
Furniture & fittings	2,841,040	(2,015,250)	4,469	830,259
Motor vehicles	7,952,159	(1,949,634)	2,218	6,004,743
Buildings & infrastructure	14,201,435	(3,226,878)	(2,184,860)	8,789,697
Tails dam	30,926,973	(3,822,248)	(2,949,558)	24,155,167
Mill liners	2,027,445	(1,214,660)	(70,621)	742,164
Capital WIP	53,995,937	-	-	53,995,937
Total	161,353,738	(25,852,863)	(12,226,686)	123,274,189

The increasing trend in plant and equipment over the years is a result of significant investment in Capital WIP, being primarily the development of the gold concentrate plant and Wiltails plant (which remains incomplete requiring further capital investment).

We commissioned a third-party valuation of the plant and equipment shortly after our appointment from Gordon Brother, which is withheld from creditors so as not to prejudice the sale and recapitalisation process.

8. *Right of use assets*

Relates to assets where Wiluna has the authority to use leased assets but is not the legal owner. This includes the use of the West Perth head office.

9. *Mine properties*

Inclusive of capitalised costs for the development of Wiluna, pre-production and underground development.

10. Exploration and evaluation expenditure

Rights of tenure of tenement exploration and evaluations. These are carried as an asset in the balance sheet where it is expected that the expenditure will be recovered through either successful development and exploitation of an area of interest or by its sale.

11. Trade and other payables

Trade payables is primarily comprised of amounts owing to various trade suppliers. At the date of our appointment, the management accounts disclosed approximately \$29 million owed to trade creditors (up from \$13.1 million as at 30 June 2021), aged as follows:

Ageing as at appointment date	Amount (\$)	% of total
0-30 days	10,594,220	36%
31-60 days	9,816,079	33%
61-90 days	3,560,459	12%
91+ days	5,463,426	19%
Total	29,434,184	100%

Other payables included within trade and other payables which are not captured within trade creditors are royalties payable, accrued expenses and payroll liabilities.

Total unsecured creditor claims, inclusive of contingent claims but not including intercompany loans, owing as at the Administration date are however estimated at approximately \$44 million.

12. Provisions

Provisions include provisions for annual leave, long service leave and loss-making gold forwards. Non-current provisions also include a provision for mine rehabilitation and closure on acquired tenements. The provision is based on the net present value of the current LOM model.

Below is a summary of the employee entitlements, exclusive of any retrenchment entitlements, owing.

Provision for employee entitlements	Jun-19	Jun-20	Jun-21	Jun-22
Annual leave (current liability)	161,384	1,443,235	2,050,328	2,337,241
Long service leave (non-current liability)	-	136,443	193,982	309,568
Total	161,384	1,579,678	2,244,310	2,646,809

13. Interest bearing liabilities

Inclusive of the secured facility owing to Mercuria and to various financiers of leased equipment. During the Administration we have continued to meet interest payments to Mercuria and the monthly lease payments for leased equipment continued to be used during the Administration.

13.1.3. Profit and loss summary

Consolidated income statement ('000)	Notes	Jun-19	Jun-20	Jun-21	Jun-22
Revenue from gold and silver sales	1	102,466	126,562	131,467	43,983
Cost of production relating to gold sales	2	(103,459)	(96,528)	(80,267)	(25,261)
Gross (loss)/profit before depreciation and amortisation		(993)	30,034	51,200	18,723
Depreciation and amortisation relating to gold sales	2	(14,077)	(28,541)	(30,577)	(12,134)
Gross profit/ loss from operations		(15,070)	1,493	20,623	6,589
<i>Add other income</i>					
Other income	3	6,582	24,051	3,162	(2,897)
<i>Less other expenses</i>					
Administration expenses	4	(4,775)	(5,559)	(5,094)	(7,098)
Non-capital exploration expenditure		(1,293)	(42)	(384)	(3)
Depreciation of non-mine site assets		(65)	(63)	(95)	(214)
Share-based payments		(273)	(456)	(145)	(197)
Finance costs	5	(8,943)	(9,278)	(3,395)	(3,389)
Other expenses		(597)	-	(727)	-
Asset impairment charges		(45,002)	-	-	204
Treasury – realised gain/(loss)	6	2,126	4,117	6,576	-
Treasury – unrealised gain/(loss)	6	(5,851)	(13)	(117)	(31,187)
Total expenses		(64,673)	(11,294)	(3,381)	(41,884)
Net profit/(loss) before income tax expense		(73,161)	14,250	20,404	(38,193)

13.1.4. Profit and loss notes

1. *Revenue*

Comprises revenue derived from Wiluna's contracts with its customers for the gold concentrate and gold doré and recognised at spot price.

2. *Cost of goods sold*

Includes production costs incurred for production, royalties, depreciation and amortisation of mine specific plant and equipment and buildings and infrastructure.

3. *Other income*

Loss in the year ended 30 June 2022 relates to recognition of a loss from the early termination of a hire purchase arrangement with a financier.

4. *Administration expenses*

Expenses incurred in the day-to-day operations of the business, including wages and salaries and consulting fees.

5. *Finance costs*

Predominantly made up of interest on the Mercuria finance facility, leased assets and other borrowing costs.

6. *Treasury expenses*

Relates to movements in the gold forward contracts entered into with Mercuria to manage the gold price of a proportion of anticipated gold sales. Realised movements recognise gains or losses when gold has been sold, unrealised movements recognise the difference between the market rate and the gold concentrate price that was entered into.

14. Appendix 4 – Summary of ROCAP Part A

14.1. ROCAP Part A

A summary of ROCAP Part A and our estimated realisable value (“ERV”) as at 20 July 2022 is provided below:

		<u>WMC</u>		<u>WOPL</u>		<u>Subsidiaries</u>	
\$'000	Notes	Director's ROCAP ERV	ERV	Director's ROCAP ERV	ERV	Director's ROCAP ERV	ERV
Assets							
Cash at bank	1	4,689,944	1,682,000	185,466	3,180,760	11,201	11,191
Receivables	2	478,369	Nil	6,524,050	117,664,253	Nil	Nil
Inventory - gold	3	Nil	Nil	7,560,543	See note	Nil	Nil
Inventory - stores	3	Nil	Nil	7,738,487	See note	Nil	Nil
Capitalised exploration and evaluation	4	Nil	W/held	53,995,937	W/held	29,274,944	W/held
Mine properties	5	Nil	W/held	53,888,206	W/held	W/held	W/held
Fixed assets	6	1,665,377	W/held	193,050,668	W/held	29,275,309	Nil
Related party loans	7	Nil	395,249,239	Nil	Nil	Nil	Nil
Joint venture with A-Cap	8	49,224	W/held	Nil	W/held	Nil	W/held
Shares in listed entities	9	19,391	Nil	Nil	Nil	Nil	Nil
Contingent assets	10	255,777	Nil	400,000	Nil	Nil	Nil
Total assets		7,158,081	396,931,239	323,343,358	120,845,013	58,561,453	11,191
Liabilities							
Secured creditors	11	(1,987,379)	See note	Nil	See note	Nil	See note
Employee entitlements	12	(511,274)	(655,362)	(1,856,663)	(4,194,500)	Nil	Nil
Unsecured creditors	13	(2,592,539)	(3,154,007)	(28,258,125)	(39,810,192)	Nil	Nil
Related party creditors	14	Nil	Nil	Nil	(360,731,980)	Nil	(42,127,921)
Statutory liabilities	15	(37,112)	(69,419)	(140,342)	(228,118)	Nil	Nil
Total liabilities		(5,128,302)	(3,878,788)	(30,255,130)	(404,964,790)	0	(42,127,921)
Net assets		2,029,779	393,052,451	293,088,228	(284,119,777)	58,561,453	(42,116,730)

Certain amounts, including the ERV on material asset values, have been withheld on the basis they are commercial in confidence and may prejudice the sale process.

Notes

1. *Cash at bank*

The Directors' ROCAPs disclosed a balance of approximately AUD4.8 million held in cash and cash equivalents as follows:

Bank account	USD	USD:AUD rate as at 20 July 2022	AUD equivalent
WMC - AUD			1,682,000
WMC - USD	2,069,574.16	1.4518	3,004,608
WOPL			185,466
Kimba			7,753
Scaddan			3,438
Total			4,883,265

Wiluna Gold, Zanthus and Lignite did not hold any bank accounts as at the Appointment Date.

Upon our appointment, correspondence was issued to all major banking institutions notifying them of our appointment and instructing them to freeze all accounts held in the name of the Companies. No other bank accounts were identified.

Our estimated realisable value is representative of the cash balance recovered.

7. *Receivables*

Receivables comprise amounts due to WMC and WOPL at the commencement of the Administration for sales of gold concentrate, fuel tax credits receivable, GST credits and tenement back charges.

We have taken steps in recovering these receivables including filing returns with the ATO to recover the GST and fuel tax credits and continue to comply with arrangements with customers. The following table summarises receivables recoveries for GST and fuel tax credits – this is not inclusive of gold concentrate receivables:

Receivables	\$
GST	1,231,776
FTC	169,073
Total	1,400,849

These receivables have been collected in full.

Actual recoveries from gold concentrate and gold doré receivables due at appointment is provided at section 9.2 and the amounts disclosed are inclusive of both amounts due at appointment and sales made during the Administration.

2. *Inventory*

The value of inventory at the Wiluna Gold Mine is held by WOPL and is calculated based on the net realisable value, being the lower of cost or market value.

The below table summarises the estimated value of inventory held in WOPL as at appointment date as per the Director ROCAPs.

Inventory	Estimated asset value
Gold in circuit	903,217
Ore stockpiles	6,657,326
Consumable stock	7,738,487
Total	15,299,030

Our ERV of gold in circuit and ore stockpiles is representative of sales made during the Administration as at 16 June 2023, inclusive of any receivables due at appointment, as set out below:

	Local currency (\$)	USD:AUD FX rate	AUD
Gold Sales	27,461,893		27,461,893
Concentrate sales (USD)	60,822,953	1.46	88,801,511

Note this is not inclusive of any future recoveries.

Consumable stock relates to inventory used by Wiluna in the day to day operations at the Mine and any balance of consumable stock will be transferred to any purchaser of Wiluna.

8. Capitalised exploration and evaluation

Capitalised costs relate to tenement exploration and evaluations of the following tenements:

Entity	Tenements held
WOPL	49
Kimba	43
Scaddan	5
Total	97

The ERV has been withheld so as not to prejudice the sale process.

3. Mine properties

Mine properties is representative of the book value of the Wiluna Gold Mine, inclusive of impairment charges.

The ERV has been withheld so as not to prejudice the sale process.

4. Fixed assets

Fixed Assets constitutes the depreciated value of property, plant and equipment (“PPE”) at Wiluna’s head office and at the mine site. The composition of PPE is detailed in the following table as represented in the Directors' ROCAP:

Fixed assets	WMC	WOPL	Subsidiaries	Total
Motor vehicles	113,650	5,888,874	Nil	6,002,524
Plant and equipment	878,844	63,537,952	Nil	64,416,796
Other assets	672,882	123,623,843	29,275,309	153,572,034
Total	1,665,377	193,050,668	29,275,309	223,991,354

At the commencement of the Administration, Gordon Brothers were commissioned to perform a valuation on the fixed assets, details of which are withheld so as not to prejudice the sales process.

5. Related party loans/claims

Intercompany loan balances as at appointment are discussed in detail at section 5.4.3 of the report. Recovery of related party loans in a liquidation scenario are dependent on the outcome of the liquidation process.

Xavier Group Pty Ltd, an entity associated to Milan Jerkovic, has submitted a claim for \$55,523 for outstanding consulting fees. This claim will be subject to further review.

6. *Joint venture with A-Cap*

As outlined in section 5.2, Wiluna is a party to a joint venture with A-Cap through its wholly owned subsidiary, Wilconi Pty Ltd, with a 45% in the minerals of the Wilconi Nickel Cobalt Project.

The Directors disclosed in their ROCAP an amount of \$49,224 due as at the date of the appointment to Wiluna but this is not representative of the value of Wiluna's interest in the JVA.

We are exploring the sale of Wiluna's interest to A-Cap and the estimated realisable value is therefore withheld so as not to prejudice the sale.

7. *Shares in listed entities*

Wiluna held investments in listed entities with a book value of \$18k. Enquiries have been made with a sharebroker to realise Wiluna's investment.

8. *Contingent assets*

Contingent assets include the following security bonds:

Entity	Purpose	Book value at appointment	Estimated current value
WMC	West Perth lease	255,777	0
WOPL	Gas transportation agreement	300,000	300,000
WOPL	Gas platform trading membership deed	100,000	62,673
Total		655,777	362,673

The West Perth has been called on by the landlord in satisfaction of its outstanding claim against Wiluna and is therefore not realisable. The remaining security bonds may be transferrable to any purchaser of Wiluna.

9. *Secured creditors*

Upon appointment, we conducted a search of the PPSR and issued correspondence to all parties on the register. A summary of the PPSR security interest can be found in **Appendix 2**, which includes details of creditors that a registered caveat or mortgage over certain mining tenements.

Secured creditors include, but are not limited to, amounts owed to Mercuria, various asset finance facilities and amounts due under agreements entered into with Franco-Nevada, and Kesli Chemical Pty Ltd ("Kesli").

Secured creditors	Directors' ROCAP (\$)	Administrators' High ERV (\$)	Administrators' Low ERV (\$)
Mercuria (AUD)	1,987,379	52,629,577	52,629,577
Franco-Nevada	Nil	1,400,000	1,400,000
Hire purchase facilities (estimated shortfall)	Nil	127,940	127,940
Kesli	Nil	2,000,000	2,000,000

This is representative of the amounts due at the Administration date or otherwise our estimate of the amounts currently due under the relevant facility. These do not include any ongoing interest continuing to accrue during the Administration appointment.

In the event of a sale, we may need to obtain the consent of these creditors to either deal with and/or transfer their security interests to any purchaser.

We note the following with respect to these secured liabilities:

Mercuria

This is representative of the AUD equivalent of the amount due at the commencement of the Administration, less the principal repayment of Mercuria's secured debt. We have continued to pay interest on the facility.

Franco-Nevada

WOPL and Kimba are subject to two royalty deeds with Franco-Nevada who have a mortgage registered over certain WOPL and Kimba tenements securing payment of gold and nickel royalties for each quarter in perpetuity. Franco-Nevada are owed approximately \$1.4 million at the commencement of the Administration for unpaid royalties.

Hire purchase facilities

We have continued to pay certain hire purchase facilities during the Administration. Where certain assets were no longer required in the ongoing trading of the Mine, we have:

- returned those assets to financiers where there was no available equity; or
- instructed Gordon Brothers to sell any assets with available equity.

There is estimated to be a shortfall of approximately \$127,940 as at 20 June 2023 owing to the relevant financiers based on a forced liquidation value of their financed assets.

Kesli

Kesli has a security interest registered on the PPSR with respect to an agreement entered by WOPL to sell its Calcine Tailings for \$2 million. Kesli have asserted a 100% ownership to the Calcine Tailings. For illustrative purposes, we have assumed Kesli's position is sufficiently covered.

10. *Employee entitlements*

At the date of our appointment there were approximately 190 staff.

All pre-appointment wages were paid on 29 July 2022, with the exception of one outstanding wage claim owing to an employee terminated prior to the Administration. The following table summarises our estimate of pre-appointment entitlements:

Priority Employee Entitlements - Estimate	WMC	WOPL	Total
Wages	3,897	Nil	3,897
Superannuation Guarantee Charge	46,434	236,192	282,627
Leave and Retrenchment Entitlements - Former Employees	487,158	1,115,646	1,602,805
Leave Entitlements - Current Employees	43,203	743,678	786,882
Retrenchment Entitlements - Current Employees (Not Crystallised)	74,668	2,098,983	2,173,652
Total Estimated Employee Entitlements	655,362	4,194,500	4,845,965

11. Unsecured creditors

Our ERV is based upon Wiluna's books and records and proofs of debts received. We note the amounts have not been adjudicated and are subject to change.

12. Statutory liabilities

We have continued to pay royalties, including outstanding pre-appointment royalties, to DMIRS to maintain good standing of the mining lease and therefore there are no pre-appointment amounts due to DMIRS.

The Office of State Revenue WA have submitted a POD in the amount of \$69,419 due by WMC and \$228,118 due by WOPL for outstanding payroll tax for the period 1 July 2022 to 19 July 2022.

The ATO have not submitted a claim for outstanding tax and we are not aware of a claim existing.

15. Appendix 5 – Investigations – analysis and information

15.1. General information and considerations

15.1.1. What is insolvency?

Solvency is defined in s 95A of the Act as when a company is able to pay all its debts as and when they become due and payable. A company that is not solvent is insolvent.

Whether a company is able to meet its debts as they become due is essentially a “cash flow” test rather than a “balance sheet” test (although the company’s balance sheet position is still relevant).

Consideration of the entire financial position of a company is required to establish if it is insolvent at a particular date. This includes factors such as the value of the company’s assets relative to its liabilities and the nature of these assets and liabilities. Also, the extent to which cash is expected to be generated from future trading activities, or available from alternative sources is relevant to considering a company’s solvency position.

15.1.2. Date of insolvency

In order to ascertain if there were any insolvent transactions entered into by a company, it is first necessary to determine the date a company became insolvent.

Proving the date on which a company became insolvent is an essential element of recovery actions with respect to unfair preferences, uncommercial transactions and insolvent trading.

Recovery actions require the liquidator to prove that the particular company was insolvent at the time of the transaction, or in the case of an insolvent trading action, when the debt was incurred.

15.1.3. General and commercial considerations

Proving insolvency is often a complex exercise and usually involves considerable time and expense in thoroughly investigating all aspects of claims. Legal advice on the merits of claims is generally required.

Typically, insolvent trading claims are defended and directors may seek to rely on the statutory defences available to them.

Legal proceedings are often necessary for liquidators to pursue claims. This adds to the time and costs involved in pursuing claims. There is also inherent uncertainty involved with any litigation. As a result, commercial considerations are relevant, including whether the amount of the claim is large enough to pursue on a cost and risk/benefit basis.

The capacity of a party to pay any successful claim to a liquidator is also a relevant consideration in determining whether or not pursuing an action is likely to be in the interest of creditors.

Liquidators may not have funds to pursue actions. At other times, the liquidator may view the risks/benefits of pursuing an action not to be in the interest of creditors (for example, in cases where pursuing an action would use up the available cash/assets when otherwise a small dividend to creditors could be paid). In these

circumstances, it is possible that a creditor or a litigation funder may wish to fund an action to pursue a claim. This typically occurs only when there is a very strong case and high prospect of success.

15.2. Indicators of potential insolvency

15.2.1. Factors to take into account

We have considered the following usual indicia of insolvency in our analysis. The relevant indicia are discussed further below:

- The company has a history of continuing trading losses.
- The company is experiencing cash flow difficulties.
- The company is experiencing difficulties selling its stock, or collecting debts owed to it.
- Creditors are not being paid on agreed trading terms and/or are either placing the company on cash-on-delivery terms or requiring special payments on existing debts before they will supply further goods and services.
- The company is not paying its Commonwealth and state taxes when due (e.g. pay-as-you-go instalments are outstanding, goods and services tax (GST) is payable, or superannuation guarantee contributions are payable).
- Cheques are being returned dishonoured.
- Legal action is being threatened or has commenced against the company, or judgements are entered against the company, in relation to outstanding debts.
- The company has reached the limits of its funding facilities and is unable to obtain appropriate further finance to fund operations—for example, through:
 - negotiating a new limit with its current financier; or
 - refinancing or raising money from another party.
- The company is unable to produce accurate financial information on a timely basis that shows the company's trading performance and financial position or that can be used to prepare reliable financial forecasts.
- Company directors resigned, citing concerns about the financial position of the company or its ability to produce accurate financial information on the company's affairs.
- The company auditor has qualified their audit opinion on the grounds there is uncertainty that the company can continue as a going concern.
- The company has defaulted, or is likely to default, on its agreements with its financier.
- Employees, or the company's bookkeeper, accountant or financial controller, have raised concerns about the company's ability to meet, and continue to meet, its financial obligations.
- It is not certain that there are assets that can be sold in a relatively short period of time to provide funds to help meet debts owed, without affecting the company's ongoing ability to continue to trade profitably.
- The company is holding back cheques for payment or issuing post-dated cheques.

Source: ASIC Regulatory Guide 217 - Duty to prevent insolvent trading: Guide for directors

ASIC's view is that these are some of the factors that a reasonable person would take into account when determining whether a company is insolvent. The list of factors is not intended to be exhaustive. There may be other factors that would indicate to a reasonable person that a company may be insolvent.

15.3. Opinion on Insolvency

Our preliminary view is that Wiluna was likely insolvent from at least 30 April 2022 and possibly as early as 30 October 2021 and remained so up until the date of the Administration on 20 July 2022.

The primary reasons for our views are set out below:

- Wiluna operated at monthly net losses in most months from as early as July 2021 in the lead up to the Administration;
- Wiluna had a current ratio of less than one from as early as September 2021;
- There was an increase in employees raising concerns regarding Wiluna's ability to pay its creditors in April 2022 with concerns being raised from as early as October 2021.
- The Directors noted in the Half Yearly report for FY2022 dated 24 February 2022 a level of inherent uncertainty regarding Wiluna's ability to continue as a going concern. In the same report, Wiluna's auditors noted that material uncertainty exists on the ability to continue as a going concern.
- From May 2022, there was a significant increase in the prevalence of the usual indicia of commercial insolvency.
- Wiluna historically performed a number of capital raises seeking to raise funds to, amongst other things, address working capital deficiencies, with the most recent capital raise being completed in May 2022 which only provided temporary liquidity relief.

15.4. Date of insolvency

15.4.1. Solvency review – balance sheet test

The balance sheet test looks at whether a company can meet all current liabilities, irrespective of when they are due and payable, from current assets. It is generally accepted a ratio of current assets to current liabilities below 1:1 is indicative of being insolvent.

Our review of Wiluna's historical net asset and working capital position is prepared on a consolidated basis, and that is set out below:

Month	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current assets	69.56	51.91	41.51	34.93	50.82	60.80	44.29	33.58	33.37	33.35	30.42	39.71
Current liabilities	50.68	48.58	43.19	51.93	72.65	65.85	62.49	76.58	91.74	102.32	103.69	78.09
Working capital	18.88	3.34	(1.68)	(17.00)	(21.83)	(5.05)	(18.20)	(43.00)	(58.38)	(68.98)	(73.27)	(38.38)
Current ratio	1.37	1.07	0.96	0.67	0.70	0.92	0.71	0.44	0.36	0.33	0.29	0.51

Note: this analysis has been prepared based on Wiluna's unaudited management accounts. The classification of bank guarantees has been reallocated from current assets to non-current assets as they do not expire within 12 months.

From the above analysis, it is apparent that from 30 September 2021 the current ratio is below one (1) in both scenarios, indicating Wiluna has been unable to meet current liabilities from current assets throughout this period.

Below is also a balance sheet test of Wiluna's financial position as at 30 June in the years leading up to the appointment.

Balance Sheet (m)	Jun-19	Jun-20	Jun-21	Jun-22
Current assets	22.94	33.65	86.30	39.71
Current liabilities	58.87	42.63	44.53	78.09
Working capital	(35.92)	(8.97)	41.77	(38.38)
Current ratio	0.39	0.79	1.94	0.51

15.4.2. Solvency review – cash flow test

The cash flow test involves assessing a company's ability to meet its obligations as and when they fall due. There are many elements to consider and we have considered the following:

- trade creditor ledgers and information (including ageing profile) – i.e. to assess whether the company had been meeting its payments on time;
- statutory liability position - i.e. whether the company had been meeting its statutory liabilities;
- liquidity ratios and levels of working capital to assess – i.e. whether the Company had sufficient liquidity to meet its liabilities in the short term;
- earnings before interest, tax, depreciation and amortisation (EBITDA) and profit and loss position – i.e. to assess the company's ability to generate sufficient cash to meet its obligations;
- sources of funding and support by financiers or related entities – i.e. to assess whether the company had any alternative sources of funding; and
- the existence of other indicia of insolvency.

Continued trading losses

Wiluna's monthly net profit from July 2021 to June 2022 was as follows:

Month	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Net profit (A'\$m)	(14.80)	0.45	15.14	(4.51)	(9.89)	(2.70)	(4.95)	(28.53)	(11.47)	2.13	18.91	2.04

Although Wiluna recorded a net profit in the months of September 2021, April 2022, May 2022 and June 2022, these are largely a result of unrealised gains on forward contracts in those months. Wiluna however recorded a cumulative net loss of \$38.2 million for the financial year ended 30 June 2022.

Summarised below is the annual net profit of Wiluna in the years leading up to the appointment.

Net profit ('000s)	Jun-19	Jun-20	Jun-21	Jun-22
Net profit/(loss) before income tax expense	(73,161)	14,250	20,404	(38,193)

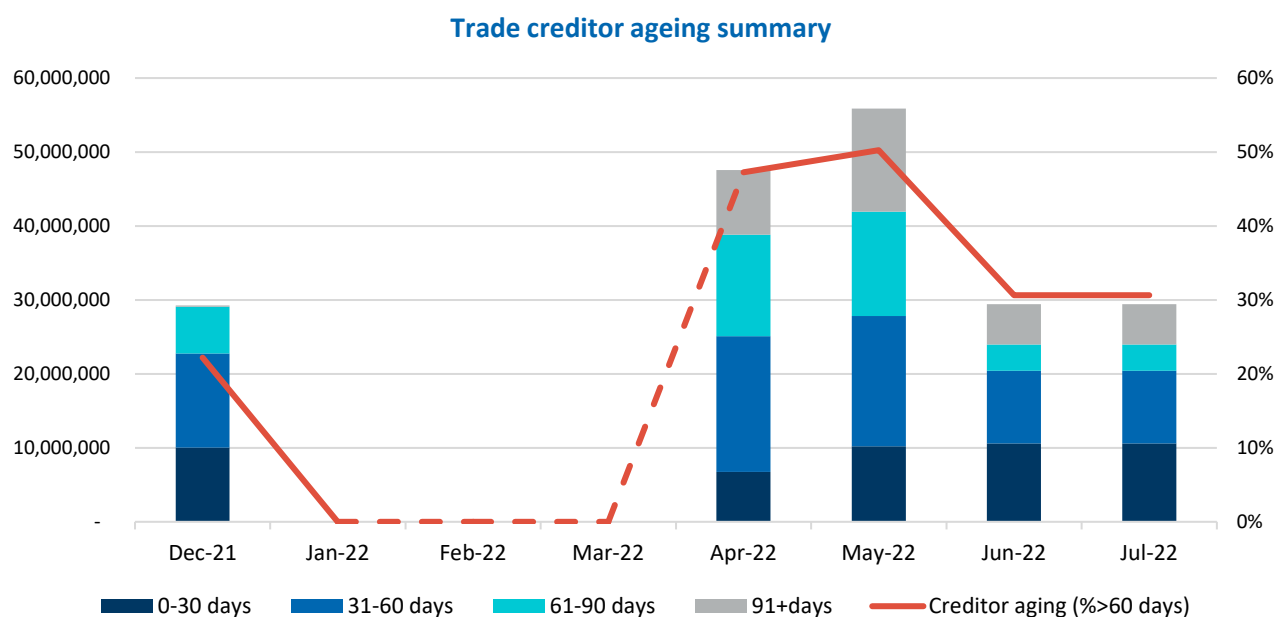
Inability to raise sufficient capital

Wiluna historically performed a number of capital raises seeking to raise funds to, amongst other things, address working capital deficiencies, with the most recent capital raise being completed in May 2022.

Wiluna sought out to raise approximately \$84 million but was only able to raise committed funds of approximately \$57 million, and of this amount, only approximately \$50 million was received.

15.4.3. Creditor ageing

The chart below illustrates Wiluna's trade creditor ageing position at the end of December 2021, April 2022, May 2022, June 2022 and as at Appointment Date:



Note: Wiluna management accounting system is unable to produce historical creditor ageing reports therefore the analysis is limited to the periods outlined above

As illustrated by the 60+ days line, Wiluna's percentage of total aged payables over 60 days was 47% as at April 2022, peaking at 50% as at May 2022 and decreasing to 31% as at June 2022. The decrease in June 2022 appears to be a result of the cash injection from the May 2022 capital raise which temporarily relieved creditor liabilities.

Although wages and other statutory liabilities appear to have been up to date at the commencement of the Administration, there were outstanding employee entitlements resulting from redundancy that Wiluna was not in a position to make payment.

15.4.4. Relationship with creditors

A change to terms of trade, cut off supply and entering payment arrangements are further indicia of insolvency.

We have identified correspondence with at least 34 creditors between March 2022 to June 2022 regarding outstanding invoices, negotiation of payment plans and in some circumstances, creditors threatening to stop supply. At least 24 payment arrangements were negotiated in that time.

Further, from as early October 2021, Wiluna commenced deferring creditor payments, with payments to its major suppliers fully deferred to 30 November 2021 to assist with cash flow and to avoid breaching loan covenants. In the same month, Wiluna commenced negotiations to extend trading terms to 90 days with Byrnecut, the underground mining contractor and Wiluna's largest supplier.

16. Appendix 6 – Creditor information sheet

Creditor Rights in Voluntary Administrations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the company's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

Creditors have the right to request information at any time. A voluntary administrator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the voluntary administration, and the provision of the information would not cause the voluntary administrator to breach their duties.

A voluntary administrator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the voluntary administrator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions.

If a voluntary administrator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons for not complying.

An individual creditor cannot provide a direction to a voluntary administrator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the voluntary administration, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the voluntary administrator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the company into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

**For more information, go to www.arita.com.au/creditors.
Specific queries about the voluntary administration should be directed to the voluntary administrator's office.**

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by liquidators or administrators:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4) / 453F 475(9)) / 497(4) / 530A – 530B	Failure by directors to assist, deliver records and provide information.
438C(5) / 477(3) / 530B	Failure to assist, deliver up books and records and provide information.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation, or three months if a simplified liquidation process is adopted. The company must have been insolvent at the time of the transaction or become insolvent because of the transaction.

Where a creditor receives a preference*, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

**Must be greater than \$30,000 for unrelated creditors in a simplified liquidation*

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest within six months of the liquidation, unless it secures a subsequent advance
- unregistered security interests
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The director may also be able to avail themselves of safe harbour, if they meet certain conditions.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Queries about the external administration should be directed to the insolvency practitioner's office.

17. Appendix 7 – Replacement DIRRI

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

Wiluna Mining Corporation Limited ACN 119 887 606 (“WMC”)

Scaddan Energy Pty Ltd ACN 128 388 634

Wiluna Gold Pty Ltd ACN 153 919 549

Wiluna Operations Pty Ltd ACN 166 954 525

Kimba Resources Pty Ltd ACN 106 123 951

Zanthus Energy Pty Ltd ACN 129 728 374

Lignite Pty Ltd ACN 128 111 204

(all Administrators Appointed) (Together “the Companies” or “Wiluna”)

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to the Companies and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This is an updated declaration to the one lodged with the Australian Securities and Investments Commission (“ASIC”) on 23 July 2022 and the replacement declaration lodged with ASIC on 11 November 2022. The declaration is made in respect of ourselves, our fellow Senior Managing Directors/Managing Directors, FTI Consulting (Australia) Pty Ltd (“FTI Consulting” or “Firm”) and associated entities, as detailed in **Annexure A**.

We are Professional Members of the Australian Restructuring Insolvency and Turnaround Association (“ARITA”). We acknowledge that we are bound by the ARITA Code of Professional Practice.

Independence

We have assessed our independence and we are not aware of any reasons that would prevent us from accepting this appointment.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

Circumstances of appointment

How we were referred this appointment

This appointment was referred to FTI Consulting by Mr Robert (Rowan) Johnston, a director of Wiluna. Mr Johnston is known to Michael Ryan of FTI Consulting as he is a director of Gascoyne Resources Limited (“Gascoyne”), having been appointed on 5 August 2020. Mr Ryan, Ms Warwick and Mr Francis were appointed Voluntary Administrators of Gascoyne on 2 June 2019 and were subsequently appointed as Deed Administrators on 26 June 2020. Mr Johnston was not the referrer of the Gascoyne voluntary administration to FTI Consulting.

We believe that this referral does not result in us having a conflict of interest or duty because:

- There is no expectation, agreement or understanding between us and Mr Johnston regarding the conduct of the Voluntary Administration of Wiluna and we are free to act independently and in accordance with the law and applicable professional standards.
- FTI Consulting has not been referred another external administration from Mr Johnston and is not reliant upon future referrals from him. This engagement is not financially significant to FTI Consulting and the receiving or otherwise of other future referrals from Mr Johnston is not material to FTI Consulting.

Did we meet with the Companies, the directors or their advisers before we were appointed?

☒ Yes ☐ No

On 13 April 2022, Mr Bantock was contacted by Greg Fitzgerald, then a Non-Executive Director of WMC, to arrange a meeting to discuss Wiluna’s current circumstances. A meeting was subsequently held between Mr Bantock, Mr Ryan, Mr Fitzgerald and Mr Johnston to discuss the current circumstances of Wiluna and the potential engagement of FTI Consulting. A proposal was provided by FTI Consulting, which led to Wiluna engaging FTI Consulting on 28 April 2022 to complete a limited scope review. The details of the review are provided in **Annexure B** and our report was issued dated 9 May 2022.

FTI Consulting was subsequently engaged on 14 May 2022 and delivered a draft note dated 24 May 2022 and report dated 29 May 2022. The details of the above reports are provided in **Annexure B**.

Subsequently, FTI Consulting held a number of meetings with the Companies, their directors and advisors during the period 9 July 2022 to 20 July 2022 as detailed in **Annexure C**. Those meetings served the purpose of:

- understanding and obtaining sufficient information about the financial position of the Companies;
- explaining the various forms of insolvency appointments, the options available, and the consequences of each appointment type; and
- for us to provide a Consent to Act as Voluntary Administrators of the Companies.

During this time, FTI Consulting was further engaged by WMC on 13 July 2022 to undertake a further review of (among other things) Wiluna’s updated short term cashflow forecast including actual cashflows, which formed part of the discussions between 9 July 2022 and 20 July 2022. No report was provided to WMC and we confirm that FTI Consulting did not invoice for this work and received no funds from any other source.

As outlined in **Annexure B**, there was some discussion prior to 9 July 2022 regarding the process of a voluntary administration but that was discussed at a high level only and no formal options were provided.

In our opinion, these meetings do not affect our independence for the following reasons:

- The Courts and relevant professional bodies recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment.
- The nature of the advice provided to the Companies is such that it would not be subject to review and challenge during the course of our appointment.
- No advice has been given to the directors in their capacity as directors of the Companies, or in relation to their personal circumstances.
- The pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the appointment as Voluntary Administrators of the Companies in an objective and impartial manner.

FTI Consulting has not been paid, and will not be paid, for the above work performed.

We have provided no other information or advice to the Companies, its directors and advisors prior to our appointment beyond that outlined in this document.

Declaration of Relationships

Within the previous 2 years we or our firm have had a relationship with:

The Companies	☒ Yes ☐ No FTI Consulting was engaged by WMC to provide a limited scope review of Wiluna's current financial circumstances prior to our appointment as Voluntary Administrators of Wiluna. We are of the view that the review will have significant benefits to the conduct of the Voluntary Administration, particularly as this will offer cost savings and facilitate a comprehensive and accurate understanding of the activities and financial position of Wiluna. This relationship does not influence our ability to be able to comply with the statutory and fiduciary obligations associated with the appointment as Voluntary Administrators of Wiluna in an objective and impartial manner.
The Directors	☒ Yes ☐ No Robert (Rowan) Johnston Mr Johnston is a current director of WMC. Mr Ryan, Ms Warwick and Mr Francis of FTI Consulting were formerly appointed Voluntary Administrators of Gascoyne on 2 June 2019 and were subsequently appointed as Deed Administrators on 26 June 2020 until their

retirements as Deed Administrators on 20 October 2020 after it was fully recapitalised and creditors were paid 100 cents in the dollar.

Mr Johnston was appointed as director of Gascoyne on 5 August 2020.

Greg Fitzgerald

Mr Fitzgerald is a former director of WMC, having resigned on 21 April 2022.

As they previously worked within the same industry, Mr Fitzgerald has been known to Andrew Bantock for more than 20 years. Their relationship is limited to tangential contact, which commonly occurs when working in the same business community. Prior to Mr Fitzgerald calling Mr Bantock on 13 April 2022 to discuss Wiluna, there has been minimal interaction between the two since 2008.

Milan Jerkovic

Mr Jerkovic is a former director of Wiluna, having resigned on 6 July 2022.

As they previously worked within the same industry, Mr Jerkovic has been known to Mr Bantock for 15 years and interactions have been limited to tangential contact, which commonly occurs when working in the same business community.

In December 2017, FTI Consulting undertook an independent business review of Blackham Resources Ltd (now WMC) on behalf of Orion Mine Finance Management Ltd, and Mr Jerkovic was a director at the time. FTI Consulting's report was issued on 22 December 2017, during which, FTI Consulting held limited interaction with Mr Jerkovic.

Mr Jerkovic was Chairman of Geopacific Resources Ltd ("Geo") until 8 May 2019. Mr Bantock is the current chairman of Geo, commencing the role on 14 January 2022. We note that Mr Jerkovic recommended the appointment of Mr Bantock to the board of Geo, to Thomas Zouers (representing a shareholder of Geo, further mentioned below).

No conflict of interest

We do not believe that Mr Fitzgerald, Mr Johnston and Mr Jerkovic's former interactions with FTI Consulting result in us having a conflict of interest or duty because:

- There is no expectation, agreement or understanding between us and Mr Johnston, Mr Fitzgerald or Mr Jerkovic regarding the conduct of the Voluntary Administration of Wiluna and we are free to act independently and in accordance with the law and applicable professional standards.

	■ FTI Consulting has not been referred another external administration from either Mr Johnston, Mr Fitzgerald or Mr Jerkovic and is not reliant upon future referrals from them. This engagement is not financially significant to FTI Consulting and the receiving or otherwise of other future referrals from either Mr Johnston, Mr Fitzgerald or Mr Jerkovic is not material to FTI Consulting.
Any associates of the Companies?	☒ Yes ☐ No We are appointed as Voluntary Administrators of Wiluna and there are no cross-guarantees between any of the Companies. We are aware of inter-company transactions between the Companies but at this time are not aware of any potential conflicts of interest arising from our appointment over the Companies. If it becomes apparent that pre-appointment dealings between the Companies may give rise to a conflict which may impact the outcome for creditors of the Companies, we undertake to disclose any such conflicts to the creditors and, if required, seek Court directions as to the appropriate means of resolving the potential conflict. We have obligations in respect of each of the Companies individually (as defined in Section 435A of the Corporations Act 2001) and not to Wiluna as a whole. As such, it is acknowledged that potential conflicts could possibly arise in the course of carrying out our duties in respect of each company. We are of the view that the collective appointments will have significant benefits to the conduct of the Voluntary Administration, particularly as this will offer cost savings and facilitate a comprehensive and accurate understanding of the activities and financial position of Wiluna. This relationship does not influence our ability to be able to comply with the statutory and fiduciary obligations associated with the appointment as Voluntary Administrators of Wiluna in an objective and impartial manner.
A former insolvency practitioner appointed to the Companies?	☐ Yes ☒ No
A secured creditor entitled to enforce a security over the whole or substantially the whole of the Companies' property?	☒ Yes ☐ No Mercuria Energy Trading Pte Ltd ("Mercuria") is a holder of registered security interests over Wiluna's assets. At the request of Wiluna, Ms Warwick and Mr Ryan were introduced in a brief telephone call to David Haughie and Philip Lancaster of Mercuria on 18 May 2022. The overview of the discussion is summarised in Annexure B. No advice was provided to Mercuria during this call.

FTI Consulting otherwise does not have an ongoing professional relationship with Mercuria and no work has been undertaken for Mercuria with respect to Wiluna.

Based on FTI Consulting's records, FTI Consulting has not been referred work from Mercuria, either in Australia or Internationally, and is not reliant upon future referrals from them.

Do we have any other relationships that we consider are relevant to creditors assessing our independence?

☒ Yes ☐ No

Hansjorg Plaggermars

Hansjorg Plaggermars is a non-executive director of WMC. Mr Plaggermars and Mr Bantock are known to each other in their role as board members of Geo for which Mr Bantock acts as Chairman. Mr Bantock was appointed director of Geo on 14 January 2022. Mr Plaggermars was appointed a non-executive of Geo on 8 July 2022 representing a major shareholder of Geo.

Further, Mr Ryan and Mr Plaggermars corresponded via WhatsApp on several occasions between 17 May 2022 to 20 July 2022. The messages were either general in nature in the context of the engagement, or otherwise were to arrange a phone call to discuss the engagement. **Annexure B** outlines further details regarding these phone calls.

Thomas Zouers

Mr Zouers is a German national, who through Delphi Unternehmensberatung Aktiengesellschaft and associated entities (collectively "Delphi") is WMC's largest shareholder. We understand Delphi is a substantial shareholder in, potentially, 12 junior ASX listed mining companies including WMC, Geo and Gascoyne.

Mr Ryan met Mr Zouers in 2019, after Gascoyne entered voluntary administration. During the Gascoyne administration there were several conversations between FTI Consulting and Mr Zouers about the Gascoyne administration. Delphi participated in the recapitalisation of Gascoyne, completed at arm's length through Canaccord Genuity, who was the Lead Manager for the placement.

Mr Ryan and Mr Zouers corresponded twice via WhatsApp (on 1 and 2 June 2022) prior to the voluntary administrators' appointment of Wiluna. The messages were general in nature, stating that FTI Consulting were working with Wiluna. There was only incidental contact between Mr Ryan and Mr Zouers after the Gascoyne administration ended and prior to our appointment as Voluntary Administrators of Wiluna, and nothing about Wiluna, other than what has been stated.

Since becoming chairman of Geo, Mr Bantock has spoken to Mr Zouers on a number of occasions. All the interactions between Mr Bantock and Mr Zouers have been limited to Geo.

Jim Malone

Mr Malone was the Investor Relations Manager for WMC. Mr Bantock and Mr Malone have known each other in excess of 30 years. Over the last 10 years Mr Malone and Mr Bantock have had spasmodic contact with each other at social functions organised by other people or at mining conferences. Mr Malone and Mr Bantock have never been involved in any mutual business dealings.

Polymetal International PLC (“Polymetal”)

Polymetal through its subsidiaries, purchases gold concentrate from Wiluna. FTI Consulting, via its European offices, have two open engagements with Polymetal which are confidential in nature. There has been no interaction between our European and Australian offices in relation to Polymetal. The European and Australian teams are unable to access each other’s engagement files and will not correspond in relation to Polymetal during the course of the administration of Wiluna.

No conflict of interest

None of these contacts or relationships lead to FTI Consulting, Mr Bantock or the Administrators having interests or duties which could create a real and sensible possibility of a conflict in the Administrators’ discharge of their duties. Further, the nature of these relationships leaves no real potential for any reasonable apprehension of actual or potential bias in the Administrators discharging their functions and duties.

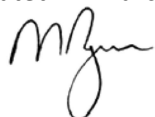
Although we do not consider Mr Bantock’s prior relationships as documented herein cause any real, or perceived conflict of interest or bias, given his mining expertise Mr Bantock’s involvement during the administration will be limited to trading matters only, and he will not be involved in any other part of the administration.

Further, we have set up an ethical wall to isolate Mr Bantock from all parts of the administration outside of trading matters to ensure that these safeguards are maintained.

Indemnities and up-front payments

We have not received any up-front payments or indemnities for this appointment. This does not include any indemnities we may be entitled to under the law.

Dated 14 March 2023



Michael Ryan



Kate Warwick



Ian Francis



Daniel Woodhouse

Notes:

1. *The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.*
2. *If circumstances change, or new information is identified, we are required under the Corporations Act 2001 or Bankruptcy Act and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.*

ANNEXURE A

FTI Consulting (Australia) Pty Ltd and associated entities

FTI Consulting Inc (ultimate holding entity)

FTI Consulting – FD Australia Holdings Pty Ltd

FTI Consulting (Australia) Pty Ltd

FTI Technology (Sydney) Pty Ltd

FTI Consulting (Perth) Pty Ltd

FTI Consulting (Sydney) Pty Ltd

FTI Capital Advisors (Australia) Pty Ltd

FTI Consulting Australia Nominees Pty Ltd

Annexure B

Interactions between FTI Consulting staff and Companies representatives/other third parties during the Initial Engagement

Between 13 April 2022 and 27 April 2022, Mr Bantock and Mr Michael Ryan, both Senior Managing Directors in FTI Consulting's Corporate Finance and Restructuring practice, held a number of calls and meetings with Greg Fitzgerald, former director of WMC, including other directors and advisors to Wiluna, tabled below. During the meetings, Wiluna's current circumstances including its operations and financial position were discussed.

Following these meetings, WMC engaged FTI Consulting on 28 April 2022 to commence a limited scope review, the scope of services for which were detailed as:

- conducting a high-level review of Wiluna's working capital position including review of trade and other creditors, trade debtors and offtake agreements;
- conducting a high-level review of Wiluna's short term cash flow model, Life of Mine model and funding options being considered by Wiluna;
- providing assistance in the briefing to Wiluna's Safe Harbour advisor as to FTI Consulting's understanding of financial and commercial matters relevant to its advice; and
- preparing a brief report on findings and recommendations.

FTI Consulting issued a report on 9 May 2022 in accordance with the Scope of Work.

On 14 May 2022, WMC extended FTI Consulting's engagement to undertake the following:

- making enquiries with Wiluna's secured creditor Mercuria and largest trade creditor, Byrnes Australia Pty Ltd (Byrnes) to determine their positions regarding providing further support to enable the continuation of trade, and/or their attitude toward supporting the Companies in a voluntary administration setting; and
- preparing an updated report with regard to the current creditor position and short-term cash flow to 31 July 2022 with particular focus on revenue from production and capital expenditure.

On 24 May 2022, we issued a draft note which provided a high review of the forecasted concentrate sales for the period 20 May 2022 to 30 June 2022.

On 27 April 2022, we introduced Konrad De Kerloy to Wiluna, to potentially act as a Safe Harbour Advisor to Wiluna. Following this meeting Mr Ryan had four (4) to five (5) telephone calls with Mr De Kerloy. These telephone calls were explanatory in nature and limited to the cash flow forecast that Wiluna had prepared. We had no involvement with Mr De Kerloy in relation to any Safe Harbour advice provided to Wiluna.

On 29 May 2022 we delivered a report in reference to our engagement letter dated 14 May 2022.

In preparing and delivering that report, we:

- Held discussions with Dean Golokin, Financial Controller and Acting CFO, regarding the daily and weekly cashflow forecast to 31 July 2022, the revenue forecast and creditor position and payment arrangements; and
- Reported on the Companies' cashflow forecast to 31 July 2022 (dated 25 May 2022), with a focus on the reasonableness of same.

Separately to our report of 29 May 2022, we reported to Wiluna on our discussions with Mercuria. In accordance with the request of Milan Jerkovic after the signing of the engagement letter of 14 May 2022, we did not hold any discussions with Byrnecut.

We note that the Companies commenced a capital raising on 24 May 2022 (internal preparatory work being conducted by the Companies prior to this date). Our engagement letter of 14 May 2022 did not request we offer any assistance with or involvement in the capital raising process. Our report of 29 May 2022 contained a factual assessment only of the status of the capital raising at the time. In preparing and delivering our report of 29 May 2022, we did not perform any work assisting with that capital raising.

As part of our engagement, and on the direction of Wiluna, we attended meetings and held discussions with the directors and personnel of Wiluna. Our involvement in these meetings and discussions was to receive and discuss underlying information to inform the content of our report for Wiluna, and to describe our procedures and findings in respect of the work we were engaged to perform as detailed above.

The engagement occurred over a period of approximately 1 month and our appointment as Voluntary Administrators occurred approximately 7 weeks after our final report was issued to WMC. FTI Consulting were not paid for the delivery of its work and will not be paid.

In our opinion, the report received does not affect our independence for the following reasons:

- The pre-appointment work will not influence our ability to fully comply with the statutory and fiduciary obligations associated with our appointment as Voluntary Administrators of Wiluna in an objective and impartial manner;
- The engagement is no impediment to the Voluntary Administrators' appointment as the nature of work performed would not be subject to review and challenge during the course of the Voluntary Administration;
- The engagement enabled us to gain an understanding of the financial position and operations of Wiluna and plan for the Voluntary Administration, which is a benefit to creditors; and
- No advice has been given to the directors of the Companies in their capacity as directors, or in relation to their personal circumstances.

Our interactions with Wiluna immediately prior to and during the engagement are listed below:

Date	Medium	FTI Consulting attendees	External attendees	Agenda/purpose/discussion
13/04/2022	Telephone call	Andrew Bantock	Greg Fitzgerald	■ Brief outline of Wiluna's circumstances, arranged follow-up meeting.

Date	Medium	FTI Consulting attendees	External attendees	Agenda/purpose/discussion
14/04/2022	Meeting	Andrew Bantock Michael Ryan	Greg Fitzgerald Rowan Johnson	Discussed Wiluna's current circumstances and potential FTI Consulting engagement.
20/04/2022	Email	Andrew Bantock	Greg Fitzgerald	Transmitted "Proposal to Assist WMC" document.
22/04/2022	Meeting	Andrew Bantock	Milan Jerkovic Jim Malone	Discussed Wiluna's current circumstances, FTI Consulting limited scope review engagement proposal provided, FTI Consulting engagement.
26/04/2022	Meeting	Andrew Bantock Michael Ryan	Milan Jerkovic Jim Malone Greg Fitzgerald	Discussed background of Wiluna's current circumstances.
27/04/2022	Meeting	Andrew Bantock Michael Ryan	Greg Fitzgerald Milan Jerkovic Jim Malone Michael Gibson Konrad de Kerloy	- Introduction of Konrad de Kerloy as potential Safe Harbour advisor. - Further discussion of Wiluna's current circumstances
2/05/2022	Meeting	Michael Ryan Eileen Chan	Greg Fitzgerald Rowan Johnston Milan Jerkovic Dean Golokin Stefan Deselys-Claite	Introduction and discussion regarding Wiluna's background and current position prior to commencing limited scope review.
3/05/2022	Meeting	Eileen Chan	Milan Jerkovic Greg Fitzgerald Dean Golokin Stefan Deselys-Claite Nigel Darby Bernard Etschmann	Discussed obtaining information to facilitate preparation of FTI Consulting's limited scope review.
4/05/2022	Meeting	Eileen Chan	Milan Jerkovic	Discussed obtaining information to facilitate preparation of FTI

Date	Medium	FTI Consulting attendees	External attendees	Agenda/purpose/discussion
			Dean Golokin Stefan Deselys-Claite Nigel Darby Bernard Etschmann	Consulting's limited scope review.
4/05/2022	Meeting	Andrew Bantock Michael Ryan	Milan Jerkovic Jim Malone	- Discussed the current Wiluna's circumstances and recent corporate developments. - Discussed information being reviewed by FTI Consulting as part of its limited scope review. - Discussed what a voluntary administration of Wiluna might involve.
9/05/2022	Telephone call	Eileen Chan	Greg Fitzgerald	Discussed FTI Consulting's factual accuracy queries in the draft report dated 9 May 2022.
10/05/2022	Telephone call	Andrew Bantock	Milan Jerkovic	- Discussed FTI Consulting's draft limited scope review report being provided to Wiluna for factual accuracy check. - Discussed update on WMC current corporate circumstances.
14/05/2022	Meeting	Andrew Bantock Michael Ryan	Greg Fitzgerald Rowan Johnston Hansjorg Plaggermars	Discussed FTI Consulting's report dated 9 May 2022 and the Non-Executive Directors' understanding of and views on the Company's current corporate circumstances.
16/05/2022	Meeting	Michael Ryan	Greg Fitzgerald Milan Jerkovic	Discussed scope of Stage 2 of Wiluna's engagement with FTI Consulting.
16/05/2022	Telephone call	Michael Ryan	Greg Fitzgerald	Discussed draft Letter of Engagement for a second stage of FTI Consulting's limited scope review.

Date	Medium	FTI Consulting attendees	External attendees	Agenda/purpose/discussion
17/05/2022	Telephone call	Michael Ryan	Adrian Churcher	Discussed Wiluna's 3 month Mine Plan.
17/05/2022	Telephone Call	Michael Ryan	Hansjorg Plaggenmars	Discuss the financial position Wiluna ahead of the call with Mercuria.
18/05/2022	Microsoft Teams Call	Michael Ryan Kate Warwick	David Haughie Philip Lancaster (Mercuria)	- Discussed the scope of FTI Consulting's engagement with Wiluna; - Understand Mercuria's position with respect to Wiluna's financial position; and - Explained the voluntary administration process generally.
18/05/2022	Meeting	Martin Nicholson	Bernard Etschmann	Discussed the activity based process inputs for the cash flow model.
18/05/2022	Meeting	Martin Nicholson	Dean Golokin	Discussed the cash flow model.
18/05/2022	Meeting	Martin Nicholson	Robert Ryan	Discussed the activity based mining outputs for the cash flow model.
18/05/2022	Meeting	Martin Nicholson	Stefan Deselys-Claite	Discussed the cash flow model structure and calculations.
25/05/2022	Telephone Call	Michael Ryan	Hansjorg Plaggenmars	Discussed the cash flow model.
25/05/2022 to 27/05/2022	Various telephone calls	Eileen Chan	Dean Golokin	Discussed the basis and assumptions used in Wiluna's weekly cashflow report to 31 July 2022.
27/05/2022	Telephone call	Martin Nicholson	Bernard Etschmann	Discussed the status of concentrate recovery.
29/05/2022	Email	Michael Ryan	Milan Jerkovic Greg Fitzgerald	Second limited scope review report provided to WMC.

Annexure C

Interactions between FTI Consulting staff and Wiluna representatives/other third parties during the period 9 July 2022 and 20 July 2022.

On 13 July 2022, WMC extended FTI Consulting's engagement to update Wiluna's short term cash flow forecast to the end of October 2022, the scope of services for which were detailed as:

- review Wiluna's short term cash flow forecast including actual cash flows in the month of June 2022 and July 2022;
- obtain the status of concentrate sales including shipment progress, concentrate stockpile and accounts receivable/prepayment status;
- assess the accounts payable and accruals position as at 30 June 2022;
- hold discussions with relevant financial, commercial and/or production personnel of Wiluna; and
- provide assistance updating the short term cash flow forecast on a weekly basis.

There was no report provided to WMC, and Wiluna was placed into Voluntary Administration shortly after entering this engagement. We confirm that FTI Consulting did not invoice for this work and received no funds from any other source.

In our opinion, this engagement does not affect our independence for the following reasons:

- The pre-appointment work will not influence our ability to fully comply with the statutory and fiduciary obligations associated with our appointment as Voluntary Administrators of Wiluna in an objective and impartial manner;
- The engagement is no impediment to the Voluntary Administrators' appointment as the nature of work performed would not be subject to review and challenge during the course of the Voluntary Administration;
- The engagement enabled us to gain an understanding of the financial position and operations of Wiluna and plan for the Voluntary Administration, which is a benefit to creditors; and
- No advice has been given to the directors of the Companies in their capacity as directors, or in relation to their personal circumstances.

Our interactions with Wiluna immediately prior to and during the engagement are listed below:

Date	Medium	FTI Consulting attendees	External attendees	Agenda/purpose/discussion
9/07/2022	Meeting	Michael Ryan	Jim Malone	■ High level discussion regarding upcoming mine schedule and grade control drilling.

9/07/2022	Meeting	Michael Ryan	Rowan Johnston	Discussed Wiluna's current financial position and possible additional work to be completed by FTI Consulting.
11/07/2022	Meeting	Eileen Chan	Rowan Johnston Greg Fitzgerald	Discussed Wiluna's current cash flow position and commence planning for potential engagement as voluntary administrators.
11/07/2022 to 17/07/2022	Meeting	Eileen Chan	Rowan Johnston Greg Fitzgerald	Various discussions with Wiluna personnel in relation to FTI Consulting's review of Wiluna's weekly cash flow forecast to 30 September 2022.
19/07/2022	Telephone Call	Michael Ryan	Hansjorg Plaggenmars	Discussed the potential engagement as voluntary administrators.

Non FTI Consulting staff positions held at the date of interactions

Name	Position/title held	Representing
Milan Jerkovic	Former director of the Companies	The Companies
Dean Golokin	Financial Controller and Acting CFO	The Companies
Nigel Darby	Commercial Manager	The Companies
Bernard Etschmann	General Manager – Metallurgy & Studies	The Companies
Rowan Johnston	Director of the Companies	The Companies
Hansjorg Plaggenmars	Director of WMC	The Companies
Greg Fitzgerald	Former director of WMC and current advisor to Wiluna	The Companies
Stefan Deselys-Claite	Manager - Financial Planning and Analysis	The Companies
Jim Malone	General Manager – Investor Relations	The Companies
Adrian Churcher	Technical Services Superintendent	The Companies
Michael Gibson	Advisor to Wiluna	The Companies
Konrad de Kerloy	Safe Harbour Advisor	The Companies

18. Appendix 8 – Work undertaken by Mining One

1 INTRODUCTION

FTI Consulting were appointed as voluntary administrators of WMC on 20 July 2022.

Prior to administration, Wiluna Mining Corporation planned development through a 3-stage program, with target gold production of more than 200 koz gold per year. The plan was based on underground mining of multiple deposits.

The staging of the Wiluna upgrades were:

- Stage 1 to treat a nominal 0.75 Mtpa of fresh ore to produce a gold concentrate. This included flotation of sulphide ore, filtration and concentrate handling. The existing crushing and milling circuit were used to prepare the ore for flotation. Stage 1 was complete, with first concentrate produced December 2021. At prevailing gold prices this was not economically viable due to high operating costs, low payability of gold in concentrate and difficulties with marketing and Wiluna entered administration.
- Stage 2 involved upgrading the Stage 1 facility to process 1.5 Mtpa of sulphide ore to produce >100 ktpa of gold concentrate. The upgrade included new ore feed systems, new crushing and milling circuits and an expanded flotation plant. Stage 2 required the filtration and concentrate handling facilities to be upgraded and had a completed Feasibility Study.
- Stages 3 built on the Stage 2 upgrades and involved construction and operation of a pressure oxidation (POX) circuit to treat 100 ktpa of concentrate prior to CIL processing to produce gold doré. The Stage 1 and 2 upgrades produced a gold concentrate that was high in arsenic, and Stage 3 reduced the marketing risk of the project and maximised gold payability. Stage 3 had a completed Pre-Feasibility Study.

In addition, Stage 1 also included reprocessing historic tailings through the CIL plant through a repulping trommel, linear screen and surge tank. Wiluna referred to the tailings feed system as "Wiltails." Construction of the Wiltails circuit was not complete when the administrators were appointed.

Mining One were engaged by the administrators to review and develop a mining and processing approach for Wiluna Mining Corporation. The engagement has consisted of three main projects to date:

1. Wiluna review for FTI Consulting, project 3075_M.
2. Wiluna value optimisation, project 5350_M.
3. Wiluna Pre-Feasibility Study, project 5362_M.

The findings and recommendations from these work programs are summarised below.

2 MINING ONE FINDINGS FOR WILUNA

2.1 WILUNA REVIEW, 3075_M

Historical studies undertaken by Blackham Resources (the predecessor to WMC) indicated a NPV of \$ 360M for Wiluna at a discount rate of 8% for a gold price of AD\$1600/oz based on open pit and underground mining. Processing of fresh ore via a BIOX sulphide oxidation plant was used to produce gold doré. BIOX was historically used at Wiluna for fresh ore (from 1996).

WMC decided not to proceed with this plan and commissioned a re-optimization of the pits using high assumptions for ore losses and dilution and assuming an overall metallurgical recovery of 57%. Based on these adjusted inputs, large scale open-pit mining was not considered by the company to be viable. Further studies focussed on underground mining and utilised an Ordinary Kriged model optimised for underground mining (narrow, highly constrained ore zones). This approach formed the basis of the company's resource and reserve statement.

Mining One (M1) reviewed the historical studies and considered that a re-evaluation of the open-pit mining potential at Wiluna should be undertaken. M1 re-optimised the pits for current gold prices and costs using both the current Ordinary Kriged block model and the LUC based block model that was used in 2017. Both models were adjusted for depletion.

M1 found that there was substantial amount of material that could be mined, using reasonable estimates for loss, dilution, and metallurgical recovery. The scenario developed requires a sulphide oxidation plant to enable gold doré production and provide a much higher payable recovery and reduces marketing risk of the high-arsenic concentrate.

Mining One recommended:

1. The OK model and the LUC model be scrutinised to develop a new block model to suit open pit and underground mining.
2. Further drilling be undertaken into the inferred areas, mindful of the best areas of the resource that could be upgraded to indicated resources.
3. Using the new block model to complete studies to evaluate the best project scenario. The studies should examine all treatment methods and costs, including capital costs for a range of production throughputs.

2.2 WILUNA VALUE OPTIMISATION, 5350_M

Following the Wiluna review, Mining One were engaged to complete a value optimisation study for Wiluna. This included an independent validation block model of the Wiluna deposit to form the basis of a restart plan. A geotechnical review was completed, and open pit optimisation performed using updated parameters to identify mineable pits. An evaluation of the underground schedule was completed with comparison to the new block model created by Mining One. There were some alignment issues which meant the underground evaluation was performed using existing data from the old block models.

Processing reviewed a range of options, including CIL processing of free-milling material and historic tailings. Sulphide ore processing via pressure oxidation, BIOX or direct concentrate sale were also considered and evaluated financially.

The economic model returned a base case NPV of \$508 M with payback of 4 years for the preferred option, which was CIL processing of oxide and transition ore, with any ore supply shortfall supplemented by historic tailings reprocessing. Fresh ore was processed via BIOX and CIL processing to produce gold doré.

The following opportunities were identified during the value optimisation:

Short term

- Operate tailings reprocessing, with oxide feed when available (dump leach feed).
- Investigate options to increase tailings and oxide throughput with low capital.

Medium term

- Opportunity to run sulphide ore at 750 ktpa with current float plant and refurbished BIOX plant, along with tailings and free-milling ore through the CIL plant at relatively low capital. Material is to be sourced from open pits and underground operations.

Long term

- Expand process and mining to the optimum throughput with tailings remining, free-milling processing and fresh ore production to doré via BIOX.

It was recommended that the development of the medium term opportunity proceed to a Pre Feasibility Study (PFS) immediately, while the short-term opportunities advanced.

2.3 WILUNA PRE FEASIBILITY STUDY, 5362_M

The Wiluna PFS commenced in May 2023, with scope as recommended from the Value Optimisation Study.

The PFS work includes:

- Resource estimate update and reporting to JORC 2012 guidelines.
- Identification of exploration targets, particularly regional oxide targets.
- Geotechnical gap analysis, mine design and ground control system parameters.
- Open pit mine design and scheduling.
- Underground mine design and scheduling.
- Process plant engineering study for sulphide ore processing via BIOX at 750 ktpa, processing of tailings via Wiltails and oxide/transition ore CIL processing.
- Tailings, water, and other infrastructure.
- Environmental and permitting.
- Financial modelling.

The planned completion for the PFS is the end of September 2023.

3 OPERATIONAL PLANNING

Wiluna has operated the CIL circuit with historic dump leach material or tailings from the Western Extension TSF from mid-Feb 2023 to date. As the Wiltails tailings feeding system has not yet been completed, this has required trucking tailings to the process plant and feeding material through the mills.

The Wiltails feed system is forecast for completion 15 September, with commissioning the remainder of September. In October 2023, Wiltails will be ready for co-feeding with dump leach or other free-milling ore through the existing crushing/milling circuit.

The performance to date and plan for 2023/24, with recommended processing parameters, is given below.

3.1 DUMP LEACH PROCESSING

Dump leach processing has occurred in two campaigns. The first campaign was a 9-day trial from 19 February. This treated higher grade material at the surface of the dump through CIL. Average grade was 1.49 g/t and recovery was 49.6%.

Following the success of this campaign, and challenges feeding sticky tailings material through the mills April-May, operation with dump leach feed from 2 Jun has occurred. Average head grade has been 0.68 g/t to 20 Jun, with average recovery 54.9%. Throughput has been 187 dtph ($\approx$ 4,100 dtpd, including downtime).

Based on the June results, Mining One recommends a grade of 0.7 g/t Au be used for the dump leach material for planning. A recovery of 54% and throughput of 4,100 dtpd through the crushers/mills and CIL are recommended. To achieve the target grade, it will be necessary to avoid known low grade regions of the dump, which are towards the base and south-east quadrant of the dump.

As a result of the selective mining of the dump, the size of the dump leach that will be processed should be reduced to approximately 1.0 Mt. A total of 2.1 Mt was available at the start of the campaign.

3.2 TAILINGS REPROCESSING

The Wiltails trommel and repulper (Wiltails) is forecast for completion 15 September, with commissioning in the second half of September. Wiltails has a design throughput of 250 dtph.

Following commissioning, Wiltails will be processed in combination with the dump leach to maximise gold ounces produced. A throughput of 150 tph dump leach and 175 tph tailings has been used for planning, which is under the maximum historic processing rate of 350 dtph. These rates are well within the capacity of the Wiltails and crushing/milling circuits for the dump leach. A higher rate has not been used, as leach time and overall recovery will be adversely affected by higher throughputs. For this reason, engineering for additional leach capacity is underway, with forecast completion end February 2024.

Tailings reprocessing of the Western Extension tailings has been conducted from 1 March through to 31 May 2023. The average process rate was 147 dtph, limited by the ability to feed the wet and sticky material through the mills. Average head grade has been 0.88 g/t, with average recovery 48.6%. The feed grade has significantly exceeded the expected 0.65 g/t and recovery has been slightly better than the planned 47%.

Mining One recommends a feed grade of 0.8 g/t Au be used for planning purposes for the Western Extension TSF, with recovery 48% based on the three-month campaign already conducted.

3.3 RATE INCREASE

A project to increase the capacity of the CIL capacity is underway to ensure recovery is maximised at higher throughputs. Following completion of the expansion in Feb 2024, a target rate of 175 dtph of the dump leach will be fed in conjunction with Wiltails at the design capacity of 250 dtph. Combined throughput will be 425 dtph. Once the dump leach has been exhausted at acceptable grade (potentially from March 2023), Wiltails will be fed to CIL through a combination of Wiltails and the crushers/mills at 425 dtph.

3.4 OTHER PLANNING

Work to ensure permitting is completed in a timely manner is underway, which includes additional lifts for TSF K and water management.

19. Appendix 9 – DOCA term sheet

CONFIDENTIAL

DOCA TERM SHEET - WILUNA GROUP OF COMPANIES

ITEM	ELEMENT	DOCA PROPOSAL
1	Date	30 June 2023
2	Companies	Wiluna Mining Corporation Limited ACN 119 887 606 (WMC) Wiluna Operations Pty Ltd ACN 166 954 525 (WOPL) Wiluna Gold Pty Ltd ACN 153 919 549 (WGPL) Kimba Resources Pty Ltd ACN 106 123 951 (Kimba) Zanthus Energy Pty Ltd ACN 129 728 374 (Zanthus) Lignite Pty Ltd ACN 128 111 204 (Lignite) Scaddan Energy Pty Ltd ACN 128 388 634 (Scaddan) all Administrators Appointed (Companies or the Group).
3	Administrators	Michael Ryan, Ian Francis, Kate Warwick and Daniel Woodhouse in their capacities as joint and several administrators of each member of the Group (Administrators).
4	Purpose and Rationale for Proposal	This term sheet records the key terms of the proposed Deed of Company Arrangement (DOCA) in relation to the Companies (DOCA Proposal) which would have the effect of: (a) maximising the Companies' chances of survival and continuing to exist; (b) providing creditors with a greater return than would be available in a liquidation of the Companies; and (c) facilitating the execution and performance of the Wiluna Group Creditors' Trust Deed (Creditors' Trust Deed). The proposed DOCA will be implemented as part of a broader strategic turnaround involving the Group's key partners and stakeholders. The Administrators are committed to finding a long-term financially sustainable solution for the Group. The proposed DOCA is a critical aspect of the turnaround process. The DOCA Proposal will be voted on by each of the creditors in respect of each of the Companies and is subject to the conditions set out below.



ITEM	ELEMENT	DOCA PROPOSAL
5	Background	The Administrators have engaged with key stakeholders in relation to a proposed DOCA and creditors' trust, under which the Companies will use funds generated from operations to establish the Creditors' Trust Fund in the initial amount of approximately A\$1.8 million, to be applied immediately towards the claims of unsecured creditors (currently estimated to provide a return in the order of 5c in the dollar, subject to formal proofs being submitted and adjudicated and assuming each of the Non-Participating Creditors do not participate as Participating Creditors). This immediate payment represents a greater return to unsecured creditors than would be available in a liquidation scenario, noting there is the possibility under the DOCA and creditors' trust for the unsecured creditors to receive up to 100c in the dollar in certain circumstances (subject to formal proofs being submitted and adjudicated and assuming each of the Non-Participating Creditors do not participate as Participating Creditors), including where WMC successfully raises additional capital through a new share issuance that allows the Companies to increase profitability through further refurbishing equipment and recommencing open pit mining and/or underground mining. The restructure will allow new directors to operate the Group's business with the Companies' external unsecured creditors agreeing to arrangements that strengthen the Group's balance sheet and with the benefit of improved processing facilities and additional working capital. Existing shareholders will also contribute a total of approximately A\$6,666,667 to build and commission two additional CIL tanks and associated infrastructure at the project (CIL Tank Upgrade Funds). Mercuria Energy Trading Pte Ltd (Mercuria) is the secured creditor of WMC. The secured debt is approximately US\$36,788,112.43 plus interest. The secured debt is owed under a facility agreement dated 10 June 2021 (as amended from time to time) between (among others) WMC (as borrower) and Mercuria (as lender) (Facility Agreement). Mercuria is a Non-Participating Creditor, as defined in item 9 below. As part of the proposed restructure, Mercuria will agree to revised terms of the Facility Agreement, aligned with future performance of the Group.
6	Deed Administrators	The Administrators will become the Deed Administrators of the DOCA (Deed Administrators), and they will remain so until the DOCA is terminated or until they are removed in accordance with the DOCA or the <i>Corporations Act 2001</i> (Cth) (Act).
7	Creditors' Trust	A creditors' trust will be established on execution of the DOCA and Creditors' Trust Deed and named 'Wiluna Group Creditors' Trust' (Creditors' Trust). Participating Creditors' claims will be substituted with rights under the Creditors' Trust Deed. The purposes of the Creditors' Trust will be to enable certain tasks ordinarily undertaken by Deed Administrators (including but not limited to, the calling for and adjudication upon the claims of unsecured creditors) to be performed by the trustees of the Creditors' Trust (Trustees), to: (a) distribute the sum of approximately A\$1.8 million referred to above to be applied towards the claims of the Participating



ITEM	ELEMENT	DOCA PROPOSAL
		Creditors, without them having to bear any risk associated with effectuation of the DOCA; (b) strengthen the Group's balance sheet, which will, in turn: (i) assist WMC to raise the additional capital required to further refurbish equipment and recommence open pit and/or underground mining; (ii) assist the Companies to acquire goods and services and obtain credit; and (iii) assist WMC to recommence trading on the ASX; and (c) provide a mechanism to enable the Companies to continue to repay the balance of the claims of the Participating Creditors (potentially up to an estimated 100c in the dollar) after effectuation of the DOCA. The Deed Administrators will be the Trustees of the Creditors' Trust. Upon the execution of the DOCA and Creditors' Trust Deed: (a) the Deed Administrator shall pay to the Trustees the cash which shall comprise the Creditors' Trust Fund referred to in item 13; and (b) the claims of Participating Creditors are satisfied and discharged and converted to a claim against the Creditors' Trust in accordance with the DOCA and Creditors' Trust Deed.
8	Participating Creditors	Any creditor of the Companies who had a claim against any of the Companies as at the date of the appointment of the Administrators and who will be bound by the DOCA, including any contingent claims, and is not a Non-Participating Creditor, is a Participating Creditor. Participating Creditors will be entitled to participate in any distribution or allocation from the Creditors' Trust Fund. Creditor's claims may be adjudicated by the Trustees in accordance with the terms of the DOCA and Creditors' Trust Deed. Subject to Item 9 below, Participating Creditor includes any secured creditor, owner or lessor that: (a) votes in favour of the DOCA; or (b) who is otherwise restricted from realising or otherwise dealing with the security interest or property under section 444F of the Act. Mercuria and Franco-Nevada Australia Pty Ltd (Franco-Nevada) are, without prejudice to the agreements with Mercuria and Franco-Nevada to be executed as Condition Precedents to Effectuation under the DOCA and which govern their respective rights, not restricted from realising or otherwise dealing with their security interests notwithstanding that they may have voted in favour of the DOCA.
9	Non-Participating Creditors	The following creditors will not be entitled to participate in any distribution or allocation from the Creditors' Trust Fund and are Non-Participating Creditors (assuming the entities referred to in items 9(b), (c) and (f) provide



ITEM ELEMENT	DOCA PROPOSAL
	suitable commitment to the Administrators (in their absolute discretion) that the agreements referred to in items 12(h), (i) and (j) will be executed by those entities): (a) employee creditors of the Companies who are retained and have not been terminated as at the date of execution of the DOCA; (b) Trismegist Pte. Ltd. (Trismegist); (c) Trafigura Pte. Ltd. (Trafigura); (d) Mercuria; (e) Franco-Nevada; (f) Osisko Bermuda Limited (Osisko); and (g) the Companies. Non-Participating Creditors are not entitled to participate for a dividend or distribution from the Creditors' Trust. Claims of the Non-Participating Creditors will otherwise be uncompromised and remain on the balance sheet of the Companies post-effectuation of the DOCA and will not be discharged or forgiven.
10 Capital Raising	The Deed Administrators will use reasonable endeavours to cause WMC to issue new shares (New Shares) sufficient to raise an amount anticipated to be in the order of A\$75 million (Additional Capital) on or before 31 December 2024. The Deed Administrators will pay 10% of any amount of Additional Capital raised by WMC to Mercuria to repay the secured debt and interest owing to Mercuria. Refer to item 15 below for details of Participating Creditors' right to convert any outstanding right and entitlement to receive a distribution from the Creditors' Trust Fund into WMC shares.
11 Cash Sweep	On a day that is no later than 20 business days after the end of each financial quarter during the Cash Sweep Period (a Cash Sweep Day), the Companies shall pay the Cash Sweep Amount (if any) on that day as follows: (a) until the secured debt (including accrued interest and any other costs) owing to Mercuria has been repaid in full, 100% of the Cash Sweep Amount to Mercuria to repay the secured debt owing to Mercuria; and thereafter (b) 100% of the Cash Sweep Amount to the Trustees as a contribution to the Creditors' Trust Fund up to a cap of A\$39,000,000. The Cash Sweep Amount on a Cash Sweep Day means: (a) the Average Cash Balance for the financial quarter immediately preceding that Cash Sweep Day; less (b) for the first six months after execution of the DOCA, A\$6,000,000 plus the balance of the CIL Tank Upgrade Funds, and thereafter A\$6,000,000,



ITEM ELEMENT	DOCA PROPOSAL
	and if the Cash Sweep Amount is less than zero, then the Cash Sweep Amount will be deemed to be zero. The Average Cash Balance for each financial quarter means an amount equal to the average of the amounts standing to the credit of the Companies' bank accounts (other than any remaining proceeds of the Additional Capital and, for the avoidance of doubt, any bank accounts opened in the name of the Administrators, Deed Administrators or Trustees) at 5:00pm on the following days: (a) the 10th day of the second calendar month in that financial quarter; (b) the 20th day of the second calendar month in that financial quarter; (c) the last day of the second calendar month in that financial quarter; and (d) the 10th day of the third calendar month in that financial quarter. If one of the days specified above is not a business day, the nearest business day should be used. The Cash Sweep Period begins on execution of the DOCA and ends on the earlier of: (a) the date on which: (i) Mercuria has been repaid in full and all Participating Creditors' rights and entitlements to receive a distribution from the Creditors' Trust have been satisfied or extinguished, whether through payment in full, the exercise of Conversion Rights, or agreement at a meeting in accordance with item 7 (as the case may be); or (ii) the amount of A\$39,000,000 has been paid into the Creditors' Trust; or (b) the date that is 80 years after the date of execution of the Creditors' Trust Deed. The Trustees (on behalf of the Participating Creditors) and Mercuria will be entitled to inspect the Companies' books and records during normal business hours to verify that the Cash Sweep is being carried out in accordance with the terms of the DOCA and Creditors' Trust Deed. The Companies will be responsible for calculating and paying the Cash Sweep Amount to Mercuria, and once Mercuria has been repaid in full, into the Creditors' Trust up to a cap of A\$39,000,000 (for the Trustees to then distribute to Participating Creditors rateably). If a voluntary administrator or liquidator is appointed with respect to a Company (whether as a consequence of the DOCA terminating or otherwise): (a) the debt owed by the Company to the Trustees (being the total amount of the Participating Creditors' outstanding rights and entitlements to receive a distribution from the Creditors' Trust



ITEM	ELEMENT	DOCA PROPOSAL
		Fund) automatically crystallises and becomes immediately due and payable; and (b) the Trustees will be entitled to submit a proof of debt in the external administration of the Companies in respect of such debt in its absolute discretion in the best interests of the Participating Creditors, save that the Trustees acknowledge and agree that this debt will be subordinated to Mercuria and any new creditors of the Companies whose debt was incurred after the execution of the DOCA.
12	Conditions Precedent	Effectuation under the DOCA is conditional on the following Conditions Precedent being satisfied (or waived) on terms acceptable to the Deed Administrators: (a) the Companies' creditors approve the proposed DOCA; (b) the execution of a formal DOCA on terms and conditions acceptable to all parties and the formal DOCA remaining in full force and effect prior to Effectuation; (c) the execution of the Creditors' Trust Deed; (d) the completion of the Capital Raising on terms satisfactory to the Deed Administrators; (e) the execution of one or more agreements pursuant to which Delphi Unternehmensberatung AG (or its nominee(s)) and Byrncut Australia Pty Ltd will each agree to provide a portion of the CIL Tank Upgrade Funds to Wiluna on terms to be agreed with the Deed Administrators and all conditions precedent to funding under those agreements have been satisfied; (f) the execution of an agreement pursuant to which Mercuria will agree to: (i) align the terms of repayment of the secured debt with the Cash Sweep mechanism in item 11; (ii) require the Companies to make principal repayments of an amount equal to: (A) US\$2,000,000 on the date of execution of the DOCA; (B) US\$100,000 on the last business day of each month beginning 30 September 2023 until 31 January 2024; and (C) US\$1,000,000 on the last business day of each month beginning 29 February 2024; (iii) waive all existing events of default as at the date of execution of the DOCA; and (iv) make any other amendments agreed with the Deed Administrators, (New Mercuria Facility Agreement);



ITEM	ELEMENT	DOCA PROPOSAL
	(g)	the execution of an agreement pursuant to which Franco-Nevada will agree to: (i) the conversion of certain amounts owing under the royalty deeds into convertible notes with the same conversion price as the conversion price under the CIL Tank Upgrade Funds arrangements, and otherwise on terms to be agreed with the Deed Administrators; and (ii) forbear from enforcing any of its rights under its security, for the period between the execution of the DOCA and Effectuation of the DOCA;
	(h)	the execution of an agreement pursuant to which Trismegist will agree to forbear from enforcing its rights under the offtake agreement until the end of the term of the offtake agreement, provided that if any concentrate is produced by Wiluna during the term of the offtake agreement (which concentrate Wiluna would ordinarily be required to supply to Trismegist under the terms of the offtake agreement with Trismegist), then Wiluna will supply that concentrate to Trismegist in accordance with the terms of the offtake agreement;
	(i)	the execution of an agreement pursuant to which Trafigura will agree to forbear from enforcing its rights under the offtake agreement until the end of the term of the offtake agreement, provided that if any concentrate is produced by Wiluna during the term of the offtake agreement (which concentrate Wiluna would ordinarily be required to supply to Trafigura under the terms of the offtake agreement with Trafigura), then Wiluna will supply that concentrate to Trafigura in accordance with the terms of the offtake agreement;
	(j)	the execution of an agreement pursuant to which Osisko will (amongst other things) agree to forbear from enforcing its rights under the gold purchase deed until 31 December 2024;
	(k)	the appointment of one or more suitably qualified and experienced directors to the boards of directors of the Companies, to be determined by the Deed Administrators (acting reasonably);
	(l)	the members of WMC giving the necessary member approvals under the ASX Listing Rules, and if necessary, under the Act to allow WMC to issue the New Shares comprising the Capital Raising (Member Approval Condition). The Deed Administrators will use reasonable endeavours to satisfy the Member Approval Condition as soon as reasonably practicable subject to market conditions; and
	(m)	WMC seeking and being granted: (i) any necessary regulatory relief to allow WMC to issue the New Shares and for the New Shares to be freely tradeable (and not subject to on-sale disclosure requirements under s 707(3) of the Act);



ITEM	ELEMENT	DOCA PROPOSAL
		(ii) a waiver from the ASX Listing Rules to extend the time limit for the issue of the New Shares (if needed) to a date that is 14 days after the finalisation of the adjudication process contemplated under item 21 below; and (iii) any other regulatory consent, approval or waiver the Deed Administrators (acting reasonably) consider necessary or appropriate in order to issue the New Shares under the proposed DOCA (Regulatory Approval Condition).
13	Creditors' Trust Fund	The Creditors' Trust Fund comprises: (a) cash held by the Group sufficient to make the repayments referred to in items 14(a)-(c) (inclusive) below; and (b) after Mercuria has been repaid in full, any Cash Sweep Amount paid to the Trustees (up to a cap of A\$39,000,000) in accordance with item 11.
14	Application of the Creditors' Trust Fund	The Creditors' Trust Fund is to be applied as follows: (a) first, to the Administrators, Deed Administrators and Trustees for their remuneration, fees, costs, charges, expenses, debts and liabilities incurred in connection with the administration (including without limitation any legal fees), DOCA and Creditors' Trust (including without limitation any legal fees); (b) second, to the extent former employees have not been paid their outstanding entitlements, a rateable distribution to former employees for their outstanding entitlements as priority creditors pursuant to section 556 of the Act, so that they are paid out in full (Former Employees). The Former Employees' claims against the Companies will be released and forever extinguished upon those Former Employees receiving payment in full; (c) third, an amount of approximately A\$1.8 million to be applied immediately towards the claims of Participating Creditors (currently estimated to provide a return in the order of 5c in the dollar, subject to formal proofs being submitted and adjudicated and assuming each of the Non-Participating Creditors do not participate as Participating Creditors); and (d) fourth, to the Participating Creditors in respect of their outstanding rights and entitlements to receive a distribution from the Creditors' Trust Fund, to be distributed rateably.
15	Participating Creditors' Conversion Right	At any time during the period commencing on the opening date of the Capital Raising as announced on the ASX and ending on the last date for investors to participate in the Capital Raising (Decision Period), each Participating Creditor can elect to convert their outstanding right and entitlement to receive a distribution from the Creditors' Trust into WMC shares up to a cap of A\$39,000,000 (Conversion Right). If there is an oversubscription during the Decision Period by Participating Creditors, shares will be issued to those Participating Creditors who have exercised their Conversion Rights on a pro rata basis, with the total value of shares limited to the cap of A\$39,000,000.



ITEM ELEMENT	DOCA PROPOSAL
	If a Participating Creditor elects to exercise their Conversion Right during the Decision Period, then: (a) the conversion price for each WMC share to be issued will be at a discount of 10% of the issue price per share under the Capital Raising; and (b) the Participating Creditor's outstanding debt and right and entitlement to receive a distribution from the Creditors' Trust shall be deemed to be repaid upon WMC issuing shares to that Participating Creditor in accordance with (a) above. For the avoidance of doubt, no creditor(s) will receive a return of more than 100 cents in the dollar under the Creditors' Trust Deed, Cash Sweep or through the exercise of a Conversion Right (or any combination of them).
16 Timing and adjudication of the Creditors' Trust Fund	The Creditors' Trust Fund will be distributed from time to time by the Trustees as soon as reasonably practicable following receipt. The terms of section 556, 560 and 561 of the Act and all other relevant provisions of the Act and Regulations shall apply as if the references to 'liquidator' were references to the 'Trustee', references to 'winding up' were references to the 'Creditors' Trust' and with such other modifications as necessary to give the effect to the terms in this Terms Sheet (including only applying to claims of Participating Creditors). Further, sections 444DA and 444DB of the Act will apply to the DOCA.
17 Moratorium	Until the date of Effectuation, other than in respect of Non-Participating Creditors or as otherwise stated herein: (a) the provisions in sections 440A, 440B and 440D of the Act will continue to apply as if the Companies remained in voluntary administration; and (b) a moratorium will apply to all claims of Participating Creditors which will be stayed and no step, action or proceeding may be taken in respect of such claim against the Companies.
18 Effectuation	The proposed DOCA will complete and be fully effectuated (Effectuation) upon the satisfaction (or waiver) of the last of the Conditions Precedent. Upon the date of Effectuation: (a) the Companies will be released from external administration; (b) the DOCA will terminate; and (c) control of the Companies will be transferred to new directors.
19 Remuneration	The Administrators, Deed Administrators and Trustees are entitled to draw from the Creditors' Trust Fund their remuneration, fees, costs, charges and expenses (including without limitation any legal fees) plus any applicable GST. The Administrators, Deed Administrators and Trustees shall be indemnified out of, and have a lien over, the Creditors' Trust Fund for their remuneration, fees, costs, charges, expenses, debts and liabilities incurred in connection with the administration, DOCA and Creditors' Trust (including without limitation any legal fees).



ITEM	ELEMENT	DOCA PROPOSAL
20	Deed Administrators' powers, obligations, rights and indemnities	(a) During the term of the DOCA, the Deed Administrators will have the relevant powers under the Act and <i>Corporations Regulations 2001 (Regulations)</i> and also have the power to (amongst other things): (i) remove or appoint any officer or director of the Companies; (ii) provide such information concerning the Companies to the creditors of the Companies and beneficiaries of the Creditors' Trust Deed as they see fit; (iii) at such time, and in such manner as they see fit, gain access to the Companies' books, records, or premises as they see fit, and require such information and documents as they see fit from the Companies' directors, officers, and employees; (iv) do all things necessary to facilitate and cause WMC to issue new share capital as part of the Capital Raising; (v) grant security interests in the property of the Companies; and (vi) do anything necessary or convenient for the purpose of exercising their powers to administer the DOCA (including prosecuting and defending any claims in the name of the Companies). (b) The Deed Administrators will continue to trade the Companies while the DOCA remains on foot. (c) The Deed Administrators will as far as reasonably practicable (and amongst other things) ensure the Companies' compliance with the DOCA. (d) During the term of the DOCA, the Deed Administrators' obligations are (among other things): (i) to monitor the business and financial position of the Companies to ensure compliance with the DOCA; (ii) to collect, receive, safeguard, and administer the Fund prior to its distribution to the creditors; (iii) to distribute the Creditors' Trust Fund to creditors in accordance with the DOCA and Creditors' Trust Deed; (iv) to carry out the Capital Raising; (v) to apply the Creditors' Trust Fund in payment of any fees owed to or expenses incurred by the Administrators and Deed Administrators; and (vi) to call meetings of creditors for the purpose of considering the variation or termination of the DOCA. (e) In exercising the powers conferred by the DOCA and carrying out the duties arising under the DOCA, the Deed Administrators are taken to act as agents for and on behalf of the Companies.



ITEM ELEMENT	DOCA PROPOSAL
	(f) To the maximum extent permitted by law, the Deed Administrators shall not be personally liable for: (i) any debts incurred or claims, demands, actions, loss, damage, costs, charges, expenses or liabilities caused by act, omission or default on behalf of the Deed Administrators (or representatives from their firm) in administering the DOCA or exercising their duties under the DOCA and in respect of the Companies; (ii) any other agreements entered into by the parties on or around the date of the DOCA; (iii) any debts incurred or claims, demands, actions, loss, damage, costs, charges, expenses or liabilities suffered or sustained or incurred by any directors of the Companies, officers of the Companies (or its subsidiaries), members of the Companies or creditors of the Companies. (g) The Deed Administrators are to be indemnified out of the Companies' assets and the Creditors' Trust Fund for their remuneration and liabilities amongst other things. (h) The Deed Administrators have a lien over the assets of the Companies and the Creditors' Trust Fund to secure their right of indemnity under the DOCA and otherwise at law, which has priority over all other claims to the same extent as the priority afforded to a voluntary administrator in respect of a company in voluntary administration under the Act including under Part 5.3A, Division 9, Subdivision B. For the avoidance of doubt, after termination of the DOCA, the Deed Administrators' lien will continue to secure their right of indemnity to the extent the indemnity applies to (among other things) any debts, liabilities or remuneration accrued up to the termination of the DOCA in accordance with item 21.
21 Termination of the DOCA	The DOCA will terminate upon any of the following events occurring: (a) the failure to satisfy (or waive) all of the Conditions Precedent by the Sunset Date; (b) the failure to obtain (or waive) the Member Approval Condition by the Sunset Date; (c) the failure to satisfy (or waive) the Regulatory Approval Condition by the Sunset Date; (d) the failure to complete the Capital Raising on terms satisfactory to the Deed Administrators by the Sunset Date; (e) the failure to execute the New Mercuria Facility Agreement by the Sunset Date; (f) resolution of creditors at a meeting of creditors; (g) court order; (h) Effectuation; or



ITEM	ELEMENT	DOCA PROPOSAL
		(i) if effectuation does not occur on or before the Sunset Date.
22	Variation or Termination of the Creditors' Trust Deed	The Trustees may call a meeting of creditors to consider any proposed variation of the Creditors' Trust Deed agreed between the Trustees and the Companies, or the termination of the Creditors' Trust Deed.
23	Sunset Date	31 December 2024, or such other date as reasonably nominated by the Deed Administrators in writing.
24	Other terms	Except for Regulations 3(c), 10 and 11, and except to the extent inconsistent with the terms of this Term Sheet, the terms and conditions in Schedule 8A of the Regulations will be incorporated into the DOCA with respect to the claims of the Participating Creditors. The powers of a Deed Administrator are as set out in the DOCA and also sections of the Act and Regulations, to the extent that they are applicable.
25	Governing Law	Western Australia.

20. Appendix 10 – Remuneration approval reports

30 June 2023



Remuneration Approval Report

Wiluna Mining Corporation Limited
(Administrators Appointed)
ACN 119 887 606

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Summary

This remuneration approval report provides you with the information the Corporations Act 2001 ("Act") and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association ("ARITA") requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the voluntary administration of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606 (the "Company").

We are asking creditors to approve the following remuneration and disbursements:

Appointment type	Period	Remuneration (excl GST)	Disbursements (excl GST)
Voluntary Administration	1 March 2023 to 16 June 2023	\$235,018.00	\$23,639.80
Voluntary Administration	17 June 2023 to 7 July 2023	\$116,000.00	Nil
Subtotal		\$351,018.00	\$23,639.80
And if the creditors resolve that the Company execute a Deed of Company Arrangement			
Voluntary Administration	7 July 2023 to execution of the Deed of Company Arrangement	\$103,500.00	Nil
Subtotal		\$103,500.00	Nil
Or if the creditors resolve that the Company be wound up in liquidation			
Liquidation	7 July 2023 to conclusion of the liquidation	\$879,000.00	Nil
Subtotal		\$879,000.00	Nil

The Committee of Inspection has previously approved our remuneration and disbursements as follows:

Appointment type	Period	Remuneration (excl GST)	Disbursements (excl GST)
Voluntary Administration	20 July 2022 to 28 August 2022	\$464,427.00	Nil
Voluntary Administration	29 August 2022 to 31 October 2022	\$371,562.50	\$22,812.30
Voluntary Administration	1 November 2022 to 28 February 2023	\$401,301.00	\$16,511.80
Total		\$1,237,290.50	\$39,324.10

We estimate the total cost of the Voluntary Administration for the Company will be approximately \$1,600,000 plus GST. This is within the original estimated remuneration for the Company as contained in our Initial Advice to Creditors dated 22 July 2022 of \$900,000 to \$1,850,000 plus GST. We note time was incurred in relation to the three extensions of the convening period to allow sufficient time to explore opportunities for the sale and recapitalisation process. This resulted in:

- three (3) separate detailed applications to the Supreme Court of Western Australia requesting extensions to the convening period;
- drafting and issuing additional correspondence to creditors and employees of Wiluna concerning the Court applications and outcomes thereof;
- extended time trading the Wiluna gold mine, including implementing the care and maintenance strategy for underground mining operations, whilst continuing processing operations, involving processing of sulphide and low grade stockpiles along with retreatment of historical tailings material;
- application to the Supreme Court of Western Australia for the early payment of priority employee entitlements; and
- extensive engagement with key stakeholders regarding the turnaround process and formulation of the Deed of Company Arrangement ("DOCA") proposal.

This is anticipated to be our final remuneration approval for the Voluntary Administration of the Company.

Assuming creditors resolve to accept the DOCA, the table below sets out our total remuneration estimate in our role as Deed Administrators of the Companies and Trustees of the Creditors' Trust.

All amounts are exclusive of GST.

Estimated remuneration for Deed Administrators / Creditors' Trust (excluding GST)	WMC	WOPL	Other subsidiaries	Total
Commencement to conclusion of the Deed Administration	672,000.00	1,332,500.00	40,000.00	2,044,500.00
Commencement to conclusion of the Creditors' Trust	N/A	N/A	N/A	470,500.00
DOCA subtotal	672,000.00	1,332,500.00	40,000.00	2,515,000.00

This estimate is subject to several variables which would have a material impact on the current remuneration estimate.

Such variables include but are not limited to:

- the extent of ongoing trading of the Companies' operations during the Deed Administration period;
- the full scope and extent of necessary work in satisfying the conditions precedent of the DOCA, in particular, conducting the capital raise;
- the extent of Participating Creditors' claims and the tasks necessary to adjudicate on such claims, including dealing with any disputes of the Trustees' determination of claims; and
- the actual length of the Deed Administration and Creditors' Trust.

Given the uncertainty of the above variables, we will not be seeking remuneration approval from creditors at this stage for:

- the commencement to conclusion of the Deed Administration period; and
- the commencement to conclusion of the Creditors' Trust.

We will seek approval from creditors (or of any relevant committee formed) of the DOCA and/or beneficiaries of the Creditors' Trust at a future date as required.

Declaration

We, Kate Warwick, Daniel Woodhouse, Michael Ryan, and Ian Francis of FTI Consulting, have undertaken a proper assessment of the claims for remuneration and disbursements for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards.

We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

Remuneration sought

The remuneration we are asking creditors to approve is summarised in the tables below.

We will only seek approval of resolutions for the DOCA if creditors agree to the proposal offered.

Similarly, we will only seek approval of the resolution for the liquidation if creditors vote to place the Company into liquidation.

For	Period	Amount \$ (excl GST)	Applicable rates	Timing of payment
Work already completed	1 March 2023 to 16 June 2023	\$235,018.00	Provided in Schedule F	Immediately or when funds become available
Future work to the second meeting of creditors	17 June 2023 to 7 July 2023	\$116,000.00	Provided in Schedule F	Immediately or when funds become available
Voluntary Administration Total		\$351,018.00		
Future work from the second meeting of creditors to the execution of the DOCA	7 July 2023 to execution of the DOCA	\$103,500.00	Provided in Schedule F	As and when costs are incurred and funds are available
DOCA Total		\$103,500.00		

Future work to the end of the liquidation	7 July 2023 to conclusion of the liquidation	\$879,000.00	Provided in Schedule F	As and when costs are incurred and funds are available
Liquidation Total		\$879,000.00		

The remuneration sought for the Voluntary Administration includes both Corporate Finance & Restructuring and Non-Insolvency Services provided to the Company by FTI Consulting's Strategic Communications and Technology departments, as detailed below.

The schedules attached to this report split out the fees accordingly.

For	Period	Corporate Finance & Restructuring	Strategic Communications	Technology	Total \$ (excl GST)
Work already completed	1 March 2023 to 16 June 2023	\$225,198.50	\$4,961.00	\$4,858.50	\$235,018.00
Future work to the second meeting of creditors	17 June 2023 to 7 July 2023	\$112,000.00	\$4,000.00	Nil	\$116,000.00
Voluntary Administration Total		\$337,198.50	\$8,961.00	\$4,858.50	\$351,018.00
Future work from the second meeting of creditors to the execution of the DOCA	7 July 2023 to execution of the DOCA	\$98,500.00	\$5,000.00	Nil	\$103,500.00
DOCA Total		\$98,500.00	\$5,000.00	Nil	\$103,500.00
Future work to the end of the liquidation	7 July 2023 to conclusion of the liquidation	\$864,000.00	\$15,000.00	Nil	\$879,000.00
Liquidation Total		\$864,000.00	\$15,000.00	Nil	\$879,000.00

Details of the work already done and future work that we intend to do are enclosed at **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Advice to Creditors sent to you on 22 July 2022.

Provided below is a schedule of disbursements incurred since our appointment.

Classification	Type	Basis of charge	Total disbursement \$ (excl. GST)
Internal non-professional fees	Technology	At FTI rates	62,963.90
External non-professional fees	Accommodation	At cost	6,837.58
	Airfare	At cost	29,301.41
	Meal	At cost	1,427.83
	Office supplies	At cost	2,285.69
	Parking	At cost	105.22
	Postage	At cost	249.09
	Public transport	At cost	89.85
	Search fees	At cost	743.12
	Taxi	At cost	1,509.44
	Travel agent fees	At cost	626.87
Total disbursements			106,140.00

The disbursements incurred for airfares and accommodation primarily relate to Kate Warwick and Michael Ryan's travel to Europe in the preliminary stages of the Administration to meet with:

- Mercuria Energy Trading Pte Ltd, major secured creditor of Wiluna;
- offtakers of the gold concentrate;
- potential interested parties in the sale or recapitalisation process; and
- shareholders of Wiluna.

Creditor approval is not required for the payment of the external non-professional disbursements outlined above as these are costs paid to third parties or otherwise paid at cost.

The Committee of Inspection has previously approved internal non-professional disbursements incurred between 29 August 2022 to 28 February 2023 of \$39,324.10 plus GST with respect to internal disbursements of the Voluntary Administrators. These disbursements relate to online hosting and processing fees for the

Company's books and records to allow the Administrators to conduct their investigations into the affairs of the Company.

The disbursements we are seeking creditors to approve are as follows:

For	Period	Amount \$ (excl. GST)
Disbursements already incurred	1 March 2023 to 16 June 2023	\$23,639.80

Details of the disbursements incurred are included at **Schedule C**. Actual resolutions to be put to the meeting are also included at **Schedule D**. These resolutions also appear in the proxy form for the meeting/proposal form provided to you.

Previous remuneration approvals

The following remuneration approvals have previously been provided by the Committee of Inspection:

Period	For	Approving body	Approved amount \$	Amount paid \$
20 July 2022 to 28 August 2022	Work already completed	The Committee of Inspection	\$464,427.00	\$463,279.00
29 August 2022 to 31 October 2022	Work already completed	The Committee of Inspection	\$371,562.50	\$371,562.50
1 November 2022 to 28 February 2023	Work already completed	The Committee of Inspection	\$401,301.00	\$401,301.00
Total remuneration previously approved			\$1,237,290.50	\$1,236,412.50

We are now seeking approval of a further \$351,018.00 in remuneration for the Voluntary Administration of the Company which will bring total remuneration claimed in this Voluntary Administration to \$1,588,308.50. This is exclusive of any remuneration for the DOCA and Liquidation.

Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receive payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds.

Please refer to the Administrators' report pursuant to Insolvency Practice Rules 75-225 for information on the likelihood of a dividend to creditors.

Summary of receipts and payments

A summary of the receipts and payments for the Voluntary Administration to 16 June 2023 is enclosed at Schedule E to this report.

Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for INFO 85).

If you have any queries in relation to the information in this report, please contact this office on +61 8 9321 8533 or by email at wiluna@fticonsulting.com.

Yours faithfully



Kate Warwick

Joint and Several Voluntary Administrator

Enc.

Attachments:

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Disbursements

Schedule D – Resolutions

Schedule E – Summary of receipts and payments

Schedule F – FTI Consulting schedule of rates effective 1 July 2022 – Corporate Finance & Restructuring

FTI Consulting schedule of rates effective 14 September 2022 – Strategic Communications

FTI Consulting schedule of rates effective 1 April 2021 – Technology

Schedule A – Details of work

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
Period	1 March 2023 to 16 June 2023	17 June 2023 to 7 July 2023	7 July 2023 to execution of DOCA	7 July 2023 to finalisation of liquidation
Amount \$ (excl GST)	\$235,018.00	\$116,000.00	\$103,500.00	\$879,000.00
Assets	47.60 hours \$34,924.00	96.00 hours \$48,000.00	140.00 hours \$70,000.00	878.00 hours \$439,000.00
Sale / recapitalisation process	■ Various discussions/meetings on the recapitalisation generally with corporate advisor, solicitor, Mercuria, Mining One, major creditors/COI and Wiluna management ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna, including capital investment for Wiltails reprocessing ■ Preparing term sheet for DOCA proposal including liaising with corporate advisor and solicitor ■ Negotiating and communicating key terms of recapitalisation proposal, including DOCA terms, to key stakeholders ■ Preparing presentations to key stakeholders on recapitalisation ■ Modelling and consideration to recapitalisation	■ Various discussions/meetings on the recapitalisation generally with corporate advisor, solicitor, Mercuria, major creditors/COI and Wiluna management ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna, including capital investment for Wiltails reprocessing ■ Negotiating and communicating key terms of recapitalisation proposal, including any potential DOCA terms, to key stakeholders ■ Preparing presentations to key stakeholders on recapitalisation ■ Modelling and consideration to recapitalisation ■ Finalising terms of DOCA term sheet	■ Drafting and finalising DOCA and drafting Creditors' Trust Deed ■ Finalising and signing of DOCA and Creditors' Trust Deed	■ Considering and reviewing sale strategy ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna, including capital investment for Wiltails reprocessing, as required ■ Receiving, reviewing and assessing expressions of interest from interested parties ■ Respond to interested party queries ■ Collate and upload documentation to the data room relevant to the dual track campaign ■ Attending various meetings with corporate advisor ■ Review information memorandum and teaser ■ Liaising with interested parties ■ Assisting interested parties with access to the virtual data room

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
				■ Internal meetings to discuss/review offers received ■ Liaise with independent valuation expert and consider valuation report ■ Reviewing and comparing sale offers received from interested parties ■ Preparing presentations and meetings with stakeholders to present options for sale ■ Review and execute necessary documents relating to the sale ■ Post completion transitional support and compliance, as required ■ Realise any remaining plant and equipment not forming part of a sale of business
Creditors	115.50 hours \$66,911.50	100.00 hours \$50,000.00	10.00 hours \$5,000.00	160.00 hours \$80,000.00
Creditor enquiries, requests & directions	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Managing the functional mailbox for creditor queries	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Managing the functional mailbox for creditor queries	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Managing the functional mailbox for creditor queries	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Managing the functional mailbox for creditor queries
Secured creditor reporting	■ Preparing reports to Mercuria ■ Attending to meetings and liaising with Mercuria	■ Preparing reports to Mercuria ■ Attending to meetings and liaising with Mercuria	■ Preparing reports to Mercuria as required ■ Attending to meetings and liaising with Mercuria as required	■ Preparing reports to Mercuria as required ■ Attending to meetings and liaising with Mercuria as required

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
Creditor reports	■ Preparing Voluntary Administrator's report pursuant to IPR 75-225 ■ Prepare meeting notices ■ Prepare comprehensive estimated statement of position	■ Preparing Voluntary Administrator's report pursuant to IPR 75-225 ■ Distribution of report ■ Prepare comprehensive estimated statement of position	■ N/A	■ Preparing Statutory Report by Liquidator and subsequent reports (as required)
Dealing with proofs of debt	■ Receipting and filing POD	■ Receipting and filing POD	■ Receipting and filing POD	■ Receipting and filing POD
Second Meeting of Creditors	■ N/A	■ Preparation of meeting notices, proxies and advertisements ■ Forward notice of meeting to all known creditors ■ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. ■ Preparation of minutes of meetings with ASIC ■ Conducting second meeting of creditors	■ Preparation and lodgement of minutes of meeting, if necessary ■ Responding to stakeholder queries and questions immediately following meeting	■ Preparation and lodgement of minutes of meeting, if necessary ■ Responding to stakeholder queries and questions
COI meeting	■ Correspondence with COI members ■ Preparing and issuing third report to COI ■ Preparation of and forwarding of meeting notices, proxies and advertisements ■ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of COI members, reports to COI,	■ Correspondence with COI members	■ N/A	■ N/A

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
	advertisement of meeting and draft minutes of meeting ■ Holding third meeting of COI ■ Preparation and lodgement of minutes of meeting with ASIC			
Proposals to Creditors	■ N/A	■ N/A	■ N/A	■ If required: ■ Preparing proposal notices and voting forms ■ Forward notice of proposal to all known creditors ■ Reviewing votes and determining outcome of proposal ■ Preparation and lodgement of proposal outcome with ASIC
Shareholder enquiries	■ Responding to shareholder enquiries ■ Drafting and releasing announcements via the ASX	■ Responding to shareholder enquiries ■ Drafting and releasing announcements via the ASX	■ Responding to shareholder enquiries ■ Drafting and releasing announcements via the ASX	■ Responding to shareholder enquiries ■ Drafting and releasing announcements via the ASX
Employees	18.30 hours \$9,003.50	4.00 hours \$2,000.00	4.00 hours \$2,000.00	30.00 hours \$15,000.00
Employee enquiries	■ Receive and follow up employee enquiries ■ Maintain employee enquiry register	■ Receive and follow up employee enquiries ■ Maintain employee enquiry register	■ Receive and follow up employee enquiries ■ Maintain employee enquiry register	■ Receive and follow up employee enquiries ■ Maintain employee enquiry register
FEG	■ N/A	■ N/A	■ N/A	■ If necessary, tasks associated with FEG applications
Calculation of and early payment of entitlements	■ Calculating employee entitlements ■ Discuss employee entitlements with Payroll Manager	■ Calculating employee entitlements ■ Payment of employee entitlements	■ Payment of employee entitlements (as required)	■ N/A

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
	■ Reviewing employee files and company's books and records ■ Liaising with the ATO regarding outstanding superannuation ■ Liaising with solicitors regarding entitlements and application to the Court for the early payment of entitlements ■ Preparation of letters to employees advising of their entitlements and options available	■ Preparation and issuing of letters to employees advising of payments of their entitlements ■ Preparation of general updates to employees		
Employee dividend	■ N/A	■ N/A	■ N/A	■ Correspondence with employees regarding dividend ■ Calculating and preparing dividend ■ Advertising dividend notice if applicable ■ Preparing distribution if applicable ■ Ensuring PAYG is remitted to ATO if applicable
Trade On	174.00 hours \$94,327.50	20.00 hours \$10,000.00	40.00 hours \$20,000.00	150.00 hours \$75,000.00
Trade on management	■ Attending office and site ■ Tasks associated with reviewing continued trading including liaising with key management and Mining One ■ Liaising with management, employees, suppliers, and state and federal authorities	■ Attending office and site ■ Tasks associated with reviewing continued trading including liaising with key management and Mining One ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna,	■ Attending office and site ■ Tasks associated with reviewing continued trading including liaising with key management and Mining One ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna,	■ Application to the Court for approval to trade in a liquidation scenario. Subject to Court approval, the tasks outlined below will be performed. ■ Attending office and site ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna,

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
	■ Authorising purchase orders and maintaining a purchase order register ■ Dealing with travel and accommodation arrangements ■ Preparing and authorising receipt and payment vouchers ■ Arranging payment of monthly payroll, including paying superannuation, child support and PAYG withholding ■ Liaising with solicitors regarding trading issues ■ Liaising with Wiluna staff and insurer regarding ongoing insurance ■ Reviewing Wiluna tenement register and current status of same ■ Internal meetings and discussions	including capital investment for Wiltails reprocessing, as required ■ Liaising with management, employees, suppliers, and state and federal authorities ■ Authorising purchase orders and maintaining a purchase order register ■ Dealing with travel and accommodation arrangements ■ Preparing and authorising receipt and payment vouchers ■ Arranging payment of monthly payroll, including paying superannuation, child support and PAYG withholding ■ Liaising with solicitors regarding trading issues ■ Liaising with Wiluna staff and insurer regarding ongoing insurance ■ Reviewing Wiluna tenement register and current status of same ■ Internal meetings and discussions	including capital investment for Wiltails reprocessing, as required ■ Liaising with management, employees, suppliers, and state and federal authorities ■ Authorising purchase orders and maintaining a purchase order register ■ Dealing with travel and accommodation arrangements ■ Preparing and authorising receipt and payment vouchers ■ Arranging payment of monthly payroll, including paying superannuation, child support and PAYG withholding ■ Liaising with solicitors regarding trading issues ■ Liaising with Wiluna staff and insurer regarding ongoing insurance ■ Reviewing Wiluna tenement register and current status of same ■ Internal meetings and discussions	including capital investment for Wiltails reprocessing, as required ■ Tasks associated with reviewing continued trading including liaising with key management and Mining One ■ Liaising with management, employees, suppliers, and state and federal authorities ■ Authorising purchase orders and maintaining a purchase order register ■ Dealing with travel and accommodation arrangements ■ Preparing and authorising receipt and payment vouchers ■ Arranging payment of monthly payroll, including paying superannuation, child support and PAYG withholding ■ Liaising with solicitors regarding trading issues ■ Liaising with Wiluna staff and insurer regarding ongoing insurance ■ Reviewing Wiluna tenement register and current status of same ■ Internal meetings and discussions
Budgeting and financial reporting	■ Preparing and monitoring cashflow forecasts ■ Liaising with Wiluna management in relation to forecasts and reporting	■ Preparing and monitoring cashflow forecasts ■ Liaising with Wiluna management in relation to forecasts and reporting	■ Preparing and monitoring cashflow forecasts ■ Liaising with Wiluna management in relation to forecasts and reporting	■ Preparing and monitoring cashflow forecasts ■ Liaising with Wiluna staff in relation to forecasts and reporting

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
	■ Preparing financial analysis to evaluate trading position, including trading profit or loss statement ■ Preparing data for cashflow analysis ■ Attending to the reconciliation of manual process with automated reporting to ensure liability is captured ■ Reporting status of trading position to Wiluna and Administrators' staff ■ Attending to the ongoing review of updated cashflows and reporting on forecasts ■ Preparing intercompany loan summary including co-ordinating intercompany transfers to ensure cash coverage for Wiluna liabilities ■ Reviewing and reconciling post-appointment bank account transactions ■ Reviewing company's budgets and financial statements ■ Meetings to discuss trading position and tailings reprocessing	■ Preparing financial analysis to evaluate trading position, including trading profit or loss statement ■ Preparing data for cashflow analysis ■ Attending to the reconciliation of manual process with automated reporting to ensure liability is captured ■ Reporting status of trading position to Wiluna and Administrators' staff ■ Attending to the ongoing review of updated cashflows and reporting on forecasts ■ Preparing intercompany loan summary including co-ordinating intercompany transfers to ensure cash coverage for Wiluna liabilities ■ Liaising with Finance team to prepare data inputs to cashflow ■ Reviewing and reconciling post-appointment bank account transactions ■ Reconciling post-appointment bank accounts ■ Reviewing company's budgets and financial statements ■ Meetings to discuss trading position	■ Preparing financial analysis to evaluate trading position, including trading profit or loss statement ■ Preparing data for cashflow analysis ■ Attending to the reconciliation of manual process with automated reporting to ensure liability is captured ■ Reporting status of trading position to Wiluna and Deed Administrators' staff ■ Attending to the ongoing review of updated cashflows and reporting on forecasts ■ Preparing intercompany loan summary including co-ordinating intercompany transfers to ensure cash coverage for Wiluna liabilities ■ Liaising with Finance team to prepare data inputs to cashflow ■ Reviewing and reconciling post-appointment bank account transactions ■ Reconciling post-appointment bank accounts ■ Reviewing company's budgets and financial statements ■ Meetings to discuss trading position	■ Preparing financial analysis to evaluate trading position, including trading profit or loss statement ■ Preparing data for cashflow analysis ■ Attending to the reconciliation of manual process with automated reporting to ensure liability is captured ■ Reporting status of trading position to Wiluna and Liquidators' staff ■ Attending to the ongoing review of updated cashflows and reporting on forecasts ■ Preparing intercompany loan summary including co-ordinating intercompany transfers to ensure cash coverage for Wiluna liabilities ■ Liaising with Finance team to prepare data inputs to cashflow ■ Reviewing and reconciling post-appointment bank account transactions ■ Reconciling post-appointment bank accounts ■ Reviewing company's budgets and financial statements ■ Meetings to discuss trading position

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
Investigations	Nil	Nil	Nil	350.00 hours \$175,000.00
Conducting investigation	■ N/A	■ N/A	■ N/A	■ Continue review of company's books and records ■ Continue review and preparation of company nature and history ■ Review of specific transactions and liaising with directors regarding certain transactions ■ Liaising with directors regarding certain transactions ■ Preparation of investigation file ■ Lodgement of investigation with the ASIC ■ Preparation and lodgement of supplementary report if required
Solvency Assessment/ Insolvent Trading	■ N/A	■ N/A	■ N/A	■ Reviewing and assessing solvency position including performing analyses of financial statements and relevant indicia of insolvency ■ Reviewing and compiling available records in support of solvency position ■ Searches on the Directors' financial position ■ Reviewing director and officers' insurance policies ■ Internal meetings to discuss and assess position ■ Preparation of position paper regarding solvency assessment

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
				■ Liaising with solicitor regarding solvency assessment ■ Enquiries to understand the potential reasons for failure
May 2022 Capital Raise	■ N/A	■ N/A	■ N/A	■ Reviewing and collating available records and information ■ Tasks associated with any recoveries from capital raise
Examinations	■ N/A	■ N/A	■ N/A	■ Preparing brief to solicitor as required ■ Liaising with solicitor regarding examinations as required ■ Attendance at examination as required ■ Reviewing examination transcripts as required ■ Liaising with solicitor regarding outcome of examinations and further actions available as required
Litigation / Recoveries	■ N/A	■ N/A	■ N/A	■ Internal meetings to discuss status of litigation as required ■ Preparing brief to solicitors as required ■ Liaising with solicitors regarding recovery actions as required ■ Attending to negotiations ■ Attending to settlement matters as required
ASIC reporting	■ N/A	■ N/A	■ N/A	■ Preparing statutory investigation reports

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
				■ Preparing affidavits seeking non-lodgement assistance as required ■ Liaising with ASIC
Dividend	Nil	Nil	Nil	50.00 hours \$100,000.00
Processing proofs of debt (POD)	■ N/A	■ N/A	■ N/A	■ Preparation of correspondence to potential creditors inviting lodgement of POD if required ■ Receipt of POD ■ Maintain POD register ■ Adjudicating POD if required ■ Request further information from claimants regarding POD if required ■ Preparation of correspondence to claimant advising outcome of adjudication if required
Dividend procedures	■ N/A	■ N/A	■ N/A	■ If required: ■ Preparation of correspondence to creditors advising of intention to declare dividend ■ Advertisement of intention to declare dividend ■ Obtain clearance from ATO to allow distribution of company's assets ■ Preparation of dividend calculation ■ Preparation of correspondence to creditors announcing declaration of dividend

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
				■ Advertise announcement of dividend ■ Preparation of distribution ■ Preparation of dividend file ■ Preparation of payment vouchers to pay dividend ■ Preparation of correspondence to creditors enclosing payment of dividend
Administration	54.50 hours \$20,032.00	4.00 hours \$2,000.00	3.00 hours \$1,500.00	60.00 hours \$30,000.00
Correspondence	■ General correspondence with various parties	■ General correspondence with various parties	■ General correspondence with various parties	■ General correspondence with various parties
ASX Compliance	■ Attending to ASX continuous disclosure requirements ■ Engagement with Wiluna's auditors regarding financial accounts	■ Attending to ASX continuous disclosure requirements ■ Engagement with Wiluna's auditors regarding financial accounts	■ Attending to ASX continuous disclosure requirements ■ Engagement with Wiluna's auditors regarding financial accounts	■ Attending to any necessary ASX disclosures
Document maintenance/file review/checklist	■ Filing of documents ■ File reviews ■ Updating checklists	■ Filing of documents ■ File reviews ■ Updating checklists	■ Filing of documents ■ File reviews ■ Updating checklists	■ Filing of documents ■ File reviews ■ Updating checklists
Insurance	■ Correspondence with insurer regarding ongoing insurance requirements	■ Correspondence with insurer regarding ongoing insurance requirements	■ Correspondence with insurer regarding ongoing insurance requirements	■ Correspondence with insurer regarding ongoing insurance requirements
Funds handling	■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations	■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations	■ Preparing correspondence opening accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements	■ Preparing correspondence opening and closing accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
	■ Correspondence with bank regarding specific transfers	■ Correspondence with bank regarding specific transfers ■ Preparing correspondence to close accounts	■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers	■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers
ASIC Forms and lodgements	■ Liaising with and attending to requests from ASIC ■ Liaising with ASIC regarding Administrators' report to ASIC ■ Drafting and lodging revised DIRRI	■ N/A	■ Preparing and lodging ASIC forms ■ Correspondence with ASIC regarding statutory forms	■ Liaising with and attending to requests from ASIC ■ Liaising with ASIC regarding supplementary report ■ Preparing and lodging ASIC forms ■ Correspondence with ASIC regarding statutory forms
ATO and other statutory reporting	■ Preparing BAS ■ Completing STP reporting obligations	■ Preparing BAS ■ Completing STP reporting obligations	■ Preparing BAS ■ Completing STP reporting obligations	■ Notification of appointment ■ Preparing BAS ■ Completing STP reporting obligations
Finalisation	■ N/A	■ Notifying ATO of finalisation ■ Completing checklists ■ Finalising WIP	■ N/A	■ Notifying ATO of finalisation ■ Cancelling ABN / GST / PAYG registration ■ Completing checklists ■ Finalising WIP
Planning / Review	■ Discussions regarding status of administration ■ Preparing task lists ■ Attending meetings discussing status of the administration ■ Weekly budget review of the Voluntary Administrators' fees	■ Discussions regarding status of administration ■ Preparing task lists ■ Attending meetings discussing status of the administration ■ Weekly budget review of the Voluntary Administrators' fees	■ Discussions regarding status of administration ■ Preparing task lists ■ Attending meetings discussing status of the DOCA	■ Discussions regarding status of administration ■ Preparing task lists ■ Attending meetings discussing status of the liquidation ■ Weekly budget review of the Liquidators' fees

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
Other Professional Services				
Strategic Communications	8.80 hours	8.00 hours	30.00 hours	Nil
	\$4,961.00	\$4,000.00	\$15,000.00	
	■ Drafting and distributing ASX announcements ■ Liaising with and answering media enquiries	■ Drafting and distributing ASX announcements ■ Liaising with and answering media enquiries	■ Drafting and distributing ASX announcements ■ Liaising with and answering media enquiries	■ N/A
Technology	12.30 hours	Nil	Nil	Nil
	\$4,858.50			
	■ Processing files, email data and server searches and extractions	■ N/A	■ N/A	■ N/A

Schedule B – Time spent by staff on each major task (work already done)

Corporate Finance & Restructuring

Employee	Position	\$ /hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area									
					Assets		Creditors		Employees		Trade on		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Michael Ryan	Senior Managing Director	\$740.00	12.00	\$8,880.00	0.00	-	12.00	\$8,880.00	0.00	-	0.00	-	0.00	-
Kathryn Warwick	Senior Managing Director	\$740.00	104.40	\$77,256.00	44.90	\$33,226.00	8.40	\$6,216.00	2.50	\$1,850.00	48.60	\$35,964.00	0.00	-
Daniel Woodhouse	Senior Managing Director	\$740.00	0.20	\$148.00	0.20	\$148.00	0.00	-	0.00	-	0.00	-	0.00	-
Eileen Chan	Managing Director	\$680.00	26.40	\$17,952.00	0.00	-	0.00	-	0.00	-	26.40	\$17,952.00	0.00	-
Matthew Chivers	Managing Director	\$680.00	21.00	\$14,280.00	0.00	-	21.00	\$14,280.00	0.00	-	0.00	-	0.00	-
James Mazzone	Senior Director	\$620.00	34.50	\$21,390.00	2.50	\$1,550.00	22.20	\$13,764.00	0.00	-	8.20	\$5,084.00	1.60	\$992.00
James Mazzone	Director	\$550.00	16.00	\$8,800.00	0.00	-	13.90	\$7,645.00	0.00	-	2.10	\$1,155.00	0.00	-
Mei Xuan Lai	Senior Consultant II	\$500.00	21.10	\$10,550.00	0.00	-	3.10	\$1,550.00	5.70	\$2,850.00	5.40	\$2,700.00	6.90	\$3,450.00
Mei Xuan Lai	Senior Consultant I	\$450.00	26.90	\$12,105.00	0.00	-	18.00	\$8,100.00	0.00	-	4.70	\$2,115.00	4.20	\$1,890.00
Georgina Wright	Senior Consultant I	\$450.00	9.00	\$4,050.00	0.00	-	0.00	-	5.40	\$2,430.00	0.60	\$270.00	3.00	\$1,350.00
Georgina Wright	Consultant II	\$405.00	16.00	\$6,480.00	0.00	-	6.80	\$2,754.00	3.70	\$1,498.50	5.50	\$2,227.50	0.00	-
Starli Smith	Consultant I	\$375.00	54.70	\$20,512.50	0.00	-	7.00	\$2,625.00	1.00	\$375.00	43.00	\$16,125.00	3.70	\$1,387.50
Starli Smith	Associate II	\$350.00	19.00	\$6,650.00	0.00	-	2.60	\$910.00	0.00	-	13.10	\$4,585.00	3.30	\$1,155.00
Sandesh Pereira	Consultant I	\$375.00	0.80	\$300.00	0.00	-	0.50	\$187.50	0.00	-	0.30	\$112.50	0.00	-
Holly Wright	Consultant I	\$375.00	20.20	\$7,575.00	0.00	-	0.00	-	0.00	-	16.10	\$6,037.50	4.10	\$1,537.50
Holly Wright	Treasury	\$300.00	2.10	\$630.00	0.00	-	0.00	-	0.00	-	0.00	-	2.10	\$630.00
Robyn Hardeman	Treasury	\$300.00	1.80	\$540.00	0.00	-	0.00	-	0.00	-	0.00	-	1.80	\$540.00
Yuet Yeng Yee	Treasury	\$300.00	4.00	\$1,200.00	0.00	-	0.00	-	0.00	-	0.00	-	4.00	\$1,200.00
Alyse Kent	Treasury	\$300.00	0.90	\$270.00	0.00	-	0.00	-	0.00	-	0.00	-	0.90	\$270.00
Chelsea Fisk	Treasury	\$300.00	7.10	\$2,130.00	0.00	-	0.00	-	0.00	-	0.00	-	7.10	\$2,130.00
Janine Wigham	Treasury	\$300.00	9.90	\$2,970.00	0.00	-	0.00	-	0.00	-	0.00	-	9.90	\$2,970.00
Selina Naylor	Treasury	\$300.00	1.10	\$330.00	0.00	-	0.00	-	0.00	-	0.00	-	1.10	\$330.00
Claire Rees	Administration II	\$250.00	0.80	\$200.00	0.00	-	0.00	-	0.00	-	0.00	-	0.80	\$200.00
Total (ex GST)				\$ 225,198.50		\$ 34,924.00		\$ 66,911.50		\$ 9,003.50		\$ 94,327.50		\$ 20,032.00
GST				\$ 22,519.85										
Total (Incl GST)				\$ 247,718.35										
Total hours				409.90	47.60		115.50		18.30		174.00		54.50	
Avg hourly rate (ex GST)				\$ 549.40		\$ 733.70		\$ 579.32		\$ 491.99		\$ 542.11		\$ 367.56

Non-Insolvency Services

There have been Non-Insolvency Services provided to the Company by FTI Consulting's respective Strategic Communications and Technology departments for the period 1 March 2023 to 16 June 2023, and the following tables set out the services provided.

Note that the time incurred in relation to the online hosting of the Company's records have been calculated at the FTI Consulting Schedule of Rates – Strategic Communications and FTI Consulting Schedule of Rates – Technology rather than the standard rates due to the skills, experience and expertise of the staff performing these services is fundamentally different from the services otherwise provided in the Voluntary Administration, resulting in a different schedule of rates being charged.

Employee	Position	\$/hour (excl GST)	Total actual hours	Total \$ (excl GST)	Non Insolvency Services			
					Strategic Communications		Technology	
					Hrs	\$	Hrs	\$
Cameron Morse	Senior Managing Director	\$720.00	1.30	\$936.00	1.30	\$936.00		-
Shane Murphy	Managing Director	\$660.00	2.50	\$1,650.00	2.50	\$1,650.00		-
Katie Hodson-Thomas	Director	\$475.00	5.00	\$2,375.00	5.00	\$2,375.00		-
Marc Hobson	Director	\$395.00	9.00	\$3,555.00		-	9.00	\$3,555.00
Brian Duong	Director	\$395.00	3.30	\$1,303.50		-	3.30	\$1,303.50
Total (ex GST)				\$ 9,819.50		\$ 4,961.00		\$ 4,858.50
GST				\$ 981.95				
Total (Incl GST)				\$ 10,801.45				
Total hours			21.10		8.80		12.30	
Avg hourly rate (ex GST)				465.38		563.75		395.00

Schedule C – Disbursements

	Total disbursements already incurred	Disbursements already incurred requesting creditors' approval
Period	20 July 2022 to 16 June 2023	1 March 2023 to 16 June 2023
Total amount \$ (excl GST)	\$106,140.00	\$23,639.80
Search fees	■ SAI Global Property Division Pty Ltd electronic searches	■ N/A
Delivery & courier	■ Delivery charges for delivery of old books and records	■ N/A
Meal reimbursements	■ Meal reimbursements when travelling	■ N/A
Travel reimbursements	■ Parking, tolls and travel reimbursements	■ N/A
Technology charges	■ Online hosting fees of \$35.00 per GB per month ■ Processing inbound native files of \$80.00 per GB ■ User fees of \$85.00/user ■ Email data and server searches and extractions ■ Data collection charges ■ Third party storage charges	■ Online hosting fees of \$35.00 per GB per month ■ Processing inbound native files of \$80.00 per GB ■ User fees of \$85.00/user ■ Email data and server searches and extractions ■ Data collection charges ■ Third party storage charges

Schedule D – Resolutions

Resolution 1 – Remuneration for Corporate Finance & Restructuring from 1 March 2023 to 16 June 2023

“That the remuneration of the Voluntary Administrators of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606 and their staff, for the period from 1 March 2023 to 16 June 2023, calculated at the hours spent at the rates detailed in the FTI Consulting Schedule of Standard Rates effective 1 July 2022 – Corporate Finance & Restructuring, is approved for payment in the amount of \$225,198.50, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 2 – Remuneration for Corporate Finance & Restructuring from 17 June 2023 to 7 July 2023

“That the future remuneration of the Voluntary Administrators of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606 and their staff, for the period from 17 June 2023 to 7 July 2023, calculated at the hours spent at the rates detailed in the FTI Consulting Schedule of Standard Rates effective 1 July 2022 – Corporate Finance & Restructuring, is approved for payment in the amount of \$112,000.00, exclusive of GST, to be drawn from available funds as time is incurred on a monthly basis or as funds become available.”

Resolution 3 – Remuneration for Strategic Communications from 1 March 2023 to 16 June 2023

“That the cost of the Non-Insolvency Services provided by FTI Consulting’s Strategic Communications department to the Voluntary Administrators of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606 and their staff, for the period from 1 March 2023 to 16 June 2023, calculated at the hours spent at the rates detailed in the FTI Consulting schedule of rates effective 14 September 2022 – Strategic Communications, is approved for payment in the amount of \$4,961.00, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 4 – Remuneration for Strategic Communications from 17 June 2023 to 7 July 2023

“That the cost of the Non-Insolvency Services provided by FTI Consulting’s Strategic Communications department to the Voluntary Administrators of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606 and their staff, for the period from 17 June 2023 to 7 July 2023, calculated at the hours spent at the rates detailed in the FTI Consulting schedule of rates effective 14 September 2022 – Strategic Communications, is approved for payment in the amount of \$4,000.00, exclusive of GST, to be drawn from available funds as time is incurred on a monthly basis or as funds become available.”

Resolution 5 – Remuneration for Technology from 1 March 2023 to 16 June 2023

“That the cost of the Non-Insolvency Services provided by FTI Consulting’s Technology department to the Voluntary Administrators of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606 and their staff, for the period from 1 March 2023 to 16 June 2023, calculated at the hours spent at the rates detailed in the FTI Consulting Schedule of Standard Rates effective 1 April 2021 – Technology, is approved for payment in the amount of \$4,858.50, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 6 – Disbursements from 1 March 2023 to 16 June 2023

“The cost of the internal disbursements of the Voluntary Administrators of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606, for the period 1 March 2023 to 16 June 2023 be calculated at the rates set out in the Schedule of FTI Consulting Disbursement Rates and is determined and approved for payment in the amount of \$23,639.80, exclusive of GST, and can be drawn from available funds immediately or as funds become available.”

Resolution 7 – Voluntary Administration from the second meeting of creditors to execution of DOCA (if the Company is to execute a DOCA)

“That the remuneration of the Voluntary Administrators of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606 and their staff, from 7 July 2023 to execution of the Deed of Company Arrangement (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Voluntary Administrators and their staff, calculated on a time basis at the hourly rates set out in the Schedule of FTI Consulting standard rates effective 1 July 2022 – Corporate Finance & Restructuring, up to a capped amount of \$98,500.00, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 8 – Remuneration for Strategic Communications from the second meeting of creditors to execution of DOCA (if the Company is to execute a DOCA)

“That the future cost of the Non-Insolvency Services provided by FTI Consulting’s Strategic Communications department to the Voluntary Administrators of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606 and their staff, from 7 July 2023 to execution of the Deed of Company Arrangement (inclusive), is determined and approved for payment at a sum equal to the cost of time incurred by FTI Consulting’s Strategic Communications department set out at the rates detailed in the FTI Consulting Schedule of Standard Rates effective 14 September 2022 – Strategic Communications, up to a capped amount of \$5,000.00, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 9 – Remuneration for Corporate Finance & Restructuring in Liquidation (if the Company is to be wound up)

“That the future remuneration of the Liquidators of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606 and their staff, from 7 July 2023 to conclusion of the liquidation (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Liquidators and their staff, calculated on a time basis at the hourly rates set out in the FTI Consulting Schedule of Standard Rates effective 1 July 2022 – Corporate Finance & Restructuring, up to a capped amount of \$864,000.00, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 10 – Remuneration for Strategic Communications in Liquidation (if the Company is to be wound up)

“That the future cost of the Non-Insolvency Services provided by FTI Consulting’s Strategic Communications department to the Liquidators of Wiluna Mining Corporation Limited (Administrators Appointed) ACN 119 887 606 and their staff, from 7 July 2023 to the conclusion of the liquidation (inclusive), is determined and approved for payment at a sum equal to the cost of time incurred by FTI Consulting’s Strategic Communications department set out at the rates detailed in the FTI Consulting Schedule of Standard Rates effective 14 September 2022 – Strategic Communications, up to a capped amount of \$15,000.00, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Schedule E – Summary of receipts and payments to 16 June 2023

WMC Receipts and Payments

AUD

Receipts	
GST refund	1,445,733
Other receipts	594,864
Pre-appointment cash	1,682,000
Intercompany transactions	15,779,851
Gold sales	594,737
Total Receipts	20,097,186
Payments	
Corporate	(1,024,902)
Freight	(2,635)
GEO	(48,735)
Insurance	(1,832,584)
Intercompany transactions	(8,696,100)
Legal fees	(1,457,065)
Mining	(28,885)
Other restructuring costs	(655,850)
Payroll and on-costs	(1,225,021)
Retention bonus and on-costs	(3,861)
Royalties	(3,603,361)
Technical advisor fees	(5,077)
Voluntary Administrators fees	(1,404,590)
Total Payments	(19,988,665)
Cash balance as at 16 June 2023	108,520

Schedule F

FTI Consulting schedule of rates effective 1 July 2022 – Corporate Finance & Restructuring

Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director/Appointee	740	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	680	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	620	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	550	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	500	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	450	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	405	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	375	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	350	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	315	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Treasury	300	Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities.

Typical classification	Standard Rates \$/hour	General guide to classifications
Junior Associate	250	Undergraduate in the latter stage of their university degree.
Administration 2	250	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Administration 1	210	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	210	Undergraduate in the early stage of their university degree.

** All rates listed above are exclusive of GST*

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

FTI Consulting schedule of rates effective 14 September 2022 – Strategic Communications

Billing Title	Standard Rate (AUD)
Senior Managing Director	720
Managing Director	660
Senior Advisor	660
Senior Director	580
Director	475
Senior Consultant	410
Consultant	360

** All rates listed above are exclusive of GST*

The FTI Consulting Standard Rates above apply to the Strategic Communications practice and are subject to periodical review.

FTI Consulting schedule of rates effective 1 April 2021 – Technology

Billing Title	Standard Rate (AUD)
Senior Managing Director	\$680
Managing Director	\$525
Senior Director	\$435
Director	\$395
Senior Consultant	\$365
Consultant	\$345
Data Management	\$300
Digital Forensics	\$450

** All rates listed above are exclusive of GST*

The FTI Consulting Standard Rates above apply to the Technology practice and are subject to periodical review.

30 June 2023



Remuneration Approval Report

Wiluna Operations Pty Ltd
(Administrators Appointed)
ACN 166 954 525

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Summary

This remuneration approval report provides you with the information the Corporations Act 2001 ("Act") and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association ("ARITA") requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the voluntary administration of Wiluna Operations Pty Ltd (Administrators Appointed) ACN 166 954 525 (the "Company").

We are asking creditors to approve the following remuneration and disbursements:

Appointment type	Period	Remuneration (excl GST)	Disbursements (excl GST)
Voluntary Administration	1 March 2023 to 16 June 2023	\$868,700.50	Nil
Voluntary Administration	17 June 2023 to 7 July 2023	\$208,000.00	Nil
Subtotal		\$1,076,700.50	Nil
And if the creditors resolve that the Company execute a Deed of Company Arrangement			
Voluntary Administration	7 July 2023 to execution of the Deed of Company Arrangement	\$126,500.00	Nil
Subtotal		\$126,500.00	Nil
Or if the creditors resolve that the Company be wound up in liquidation			
Liquidation	7 July 2023 to conclusion of the liquidation	\$1,296,000.00	Nil
Subtotal		\$1,296,000.00	Nil

The Committee of Inspection has previously approved our remuneration and disbursements as follows:

Appointment type	Period	Remuneration (excl GST)	Disbursements (excl GST)
Voluntary Administration	20 July 2022 to 28 August 2022	\$1,151,383.00	Nil
Voluntary Administration	29 August 2022 to 31 October 2022	\$962,746.00	Nil
Voluntary Administration	1 November 2022 to 28 February 2023	\$1,119,749.00	Nil
Total		\$3,233,878.00	Nil

We estimate the total cost of the Voluntary Administration for the Company will be approximately \$4,310,000 plus GST. This exceeds the original estimated remuneration for the Company as contained in our Initial Advice to Creditors dated 22 July 2022 of \$900,000 to \$1,850,000 plus GST.

The revised remuneration estimate is due to the three extensions of the convening period to allow sufficient time to explore opportunities for the sale and recapitalisation process. This resulted in:

- three (3) separate detailed applications to the Supreme Court of Western Australia requesting extensions to the convening period;
- drafting and issuing additional correspondence to creditors and employees of Wiluna concerning the Court applications and outcomes thereof;
- extended time trading the Wiluna gold mine, including implementing the care and maintenance strategy for underground mining operations, whilst continuing processing operations, involving processing of sulphide and low grade stockpiles along with retreatment of historical tailings material;
- application to the Supreme Court of Western Australia for the early payment of priority employee entitlements; and
- extensive engagement with key stakeholders regarding the turnaround process and formulation of the Deed of Company Arrangement ("DOCA") proposal.

This is anticipated to be our final remuneration approval for the Voluntary Administration of the Company.

Assuming creditors resolve to accept the DOCA, the table below sets out our total remuneration estimate in our role as Deed Administrators of the Companies and Trustees of the Creditors' Trust.

All amounts are exclusive of GST.

Estimated remuneration for Deed Administrators / Creditors' Trust (excluding GST)	WMC	WOPL	Other subsidiaries	Total
Commencement to conclusion of the Deed Administration	672,000.00	1,332,500.00	40,000.00	2,044,500.00
Commencement to conclusion of the Creditors' Trust	N/A	N/A	N/A	470,500.00
DOCA subtotal	672,000.00	1,332,500.00	40,000.00	2,515,000.00

This estimate is subject to several variables which would have a material impact on the current remuneration estimate.

Such variables include but are not limited to:

- the extent of ongoing trading of the Companies' operations during the Deed Administration period;
- the full scope and extent of necessary work in satisfying the conditions precedent of the DOCA, in particular, conducting the capital raise;
- the extent of Participating Creditors' claims and the tasks necessary to adjudicate on such claims, including dealing with any disputes of the Trustees' determination of claims; and
- the actual length of the Deed Administration and Creditors' Trust.

Given the uncertainty of the above variables, we will not be seeking remuneration approval from creditors at this stage for:

- the commencement to conclusion of the Deed Administration period; and
- the commencement to conclusion of the Creditors' Trust.

We will seek approval from creditors (or of any relevant committee formed) of the DOCA and/or beneficiaries of the Creditors' Trust at a future date as required.

Declaration

We, Kate Warwick, Daniel Woodhouse, Michael Ryan, and Ian Francis of FTI Consulting, have undertaken a proper assessment of the claims for remuneration and disbursements for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards.

We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

Remuneration sought

The remuneration we are asking creditors to approve is summarised in the tables below.

We will only seek approval of resolutions for the DOCA if creditors agree to the proposal offered.

Similarly, we will only seek approval of the resolution for the liquidation if creditors vote to place the Company into liquidation.

For	Period	Amount \$ (excl GST)	Applicable rates	Timing of payment
Work already completed	1 March 2023 to 16 June 2023	\$868,700.50	Provided in Schedule E	Immediately or when funds become available
Future work to the second meeting of creditors	17 June 2023 to 7 July 2023	\$208,000.00	Provided in Schedule E	Immediately or when funds become available
Voluntary Administration Total		\$1,076,700.50		
Future work from the second meeting of creditors to the execution of the DOCA	7 July 2023 to execution of the DOCA	\$126,500.00	Provided in Schedule E	As and when costs are incurred and funds are available
DOCA Total		\$126,500.00		
Future work to the end of the liquidation	7 July 2023 to conclusion of the liquidation	\$1,296,000.00	Provided in Schedule E	As and when costs are incurred and funds are available
Liquidation Total		\$1,296,000.00		

Details of the work already done and future work that we intend to do are enclosed at **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Advice to Creditors sent to you on 22 July 2022.

Provided below is a schedule of disbursements incurred since our appointment.

Classification	Type	Basis of charge	Total disbursement \$ (excl. GST)
External non-professional fees	Accommodation	At cost	13,897.42
	Airfare	At cost	21,568.17
	Charter Flight	At cost	11,950.00
	Meal	At cost	628.09
	Mileage	At cost	135.14
	Office supplies	At cost	123.96
	Parking	At cost	117.54
	Postage	At cost	594.60
	Public transport	At cost	97.82
	Search fees	At cost	181.80
	Safety equipment	At cost	110.18
	Software	At cost	1,783.16
	Taxi	At cost	1,658.28
	Telephone	At cost	138.85
	Trading costs	At cost	29,770.64
	Travel agent fees	At cost	649.50
Total			83,405.15

The disbursements incurred for airfares and accommodation primarily relate to Kate Warwick and Michael Ryan's travel to Europe in the preliminary stages of the Administration to meet with:

- Mercuria Energy Trading Pte Ltd, major secured creditor of Wiluna;
- offtakers of the gold concentrate;
- potential interested parties in the sale or recapitalisation process; and
- shareholders of Wiluna.

Creditor approval is not required for the payment of the external non-professional disbursements outlined above as these are costs paid to third parties or otherwise paid at cost.

We are not currently seeking any additional approval for disbursements.

Previous remuneration approvals

The following remuneration approvals have previously been provided by the Committee of Inspection:

Period	For	Approving body	Approved amount \$	Amount paid \$
20 July 2022 to 28 August 2022	Work already completed	The Committee of Inspection	\$1,151,383.00	Nil
29 August 2022 to 31 October 2022	Work already completed	The Committee of Inspection	\$962,746.00	Nil
1 November 2022 to 28 February 2023	Work already completed	The Committee of Inspection	\$1,119,749.00	Nil
Total remuneration previously approved			\$3,233,878.00	Nil

We are now seeking approval of a further \$1,076,700.50 in remuneration for the Voluntary Administration of the Company which will bring total remuneration claimed in this Voluntary Administration to \$4,310,578.50. This is exclusive of any remuneration for the DOCA and Liquidation.

Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receive payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds.

Please refer to the Administrators' report pursuant to Insolvency Practice Rules 75-225 for information on the likelihood of a dividend to creditors.

Summary of receipts and payments

A summary of the receipts and payments for the Voluntary Administration to 16 June 2023 is enclosed at **Schedule D** to this report.

Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for INFO 85).

If you have any queries in relation to the information in this report, please contact this office on +61 8 9321 8533 or by email at wiluna@fticonsulting.com.

Yours faithfully



Kate Warwick
Joint and Several Voluntary Administrator
Enc.

Attachments:

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – Summary of receipts and payments

Schedule E – FTI Consulting schedule of rates effective 1 July 2022 – Corporate Finance & Restructuring

Schedule A – Details of work

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
Period	1 March 2023 to 16 June 2023	17 June 2023 to 7 July 2023	7 July 2023 to execution of DOCA	7 July 2023 to finalisation of liquidation
Amount \$ (excl GST)	\$868,700.50	\$208,000.00	\$126,500.00	\$1,296,000.00
Assets	34.60 hours \$25,358.00	96.00 hours \$48,000.00	80.00 hours \$40,000.00	362.00 hours \$181,000.00
Sale / recapitalisation process	■ Various discussions/meetings on the recapitalisation generally with corporate advisor, solicitor, Mercuria, Mining One, major creditors/COI and Wiluna management ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna, including capital investment for Wiltails reprocessing ■ Preparing term sheet for DOCA proposal including liaising with corporate advisor and solicitor ■ Negotiating and communicating key terms of recapitalisation proposal, including DOCA terms, to key stakeholders ■ Preparing presentations to key stakeholders on recapitalisation ■ Modelling and consideration to recapitalisation	■ Various discussions/meetings on the recapitalisation generally with corporate advisor, solicitor, Mercuria, major creditors/COI and Wiluna management ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna, including capital investment for Wiltails reprocessing ■ Negotiating and communicating key terms of recapitalisation proposal, including any potential DOCA terms, to key stakeholders ■ Preparing presentations to key stakeholders on recapitalisation ■ Modelling and consideration to recapitalisation ■ Finalising terms of DOCA term sheet	■ Drafting and finalising DOCA and drafting Creditors' Trust Deed ■ Finalising and signing of DOCA and Creditors' Trust Deed	■ Considering and reviewing sale strategy ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna, including capital investment for Wiltails reprocessing, as required ■ Receiving, reviewing and assessing expressions of interest from interested parties ■ Respond to interested party queries ■ Collate and upload documentation to the data room relevant to the dual track campaign ■ Attending various meetings with corporate advisor ■ Review information memorandum and teaser

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
				■ Liaising with interested parties ■ Assisting interested parties with access to the virtual data room ■ Internal meetings to discuss/review offers received ■ Liaise with independent valuation expert and consider valuation report ■ Reviewing and comparing sale offers received from interested parties ■ Preparing presentations and meetings with stakeholders to present options for sale ■ Review and execute necessary documents relating to the sale ■ Post completion transitional support and compliance, as required ■ Realise any remaining plant and equipment not forming part of a sale of business
Creditors	118.10 hours \$67,705.00	150.00 hours \$75,000.00	16.00 hours \$8,000.00	240.00 hours \$120,000.00
Creditor enquiries, requests & directions	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Managing the functional mailbox for creditor queries	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Managing the functional mailbox for creditor queries	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Managing the functional mailbox for creditor queries	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Managing the functional mailbox for creditor queries

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
Secured creditor reporting	■ Preparing reports to Mercuria ■ Attending to meetings and liaising with Mercuria	■ Preparing reports to Mercuria ■ Attending to meetings and liaising with Mercuria	■ Preparing reports to Mercuria as required ■ Attending to meetings and liaising with Mercuria as required	■ Preparing reports to Mercuria as required ■ Attending to meetings and liaising with Mercuria as required
Creditor reports	■ Preparing Voluntary Administrator's report pursuant to IPR 75-225 ■ Prepare meeting notices ■ Prepare comprehensive estimated statement of position	■ Preparing Voluntary Administrator's report pursuant to IPR 75-225 ■ Distribution of report ■ Prepare comprehensive estimated statement of position	■ N/A	■ Preparing Statutory Report by Liquidator and subsequent reports (as required)
Dealing with proofs of debt	■ Receipting and filing POD	■ Receipting and filing POD	■ Receipting and filing POD	■ Receipting and filing POD
Second Meeting of Creditors	■ N/A	■ Preparation of meeting notices, proxies and advertisements ■ Forward notice of meeting to all known creditors ■ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. ■ Preparation of minutes of meetings with ASIC ■ Conducting second meeting of creditors	■ Preparation and lodgement of minutes of meeting, if necessary ■ Responding to stakeholder queries and questions immediately following meeting	■ Preparation and lodgement of minutes of meeting, if necessary ■ Responding to stakeholder queries and questions
COI meeting	■ Correspondence with COI members ■ Preparing and issuing third report to COI	■ Correspondence with COI members	■ N/A	■ N/A

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
	■ Preparation of and forwarding of meeting notices, proxies and advertisements ■ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of COI members, reports to COI, advertisement of meeting and draft minutes of meeting ■ Holding third meeting of COI ■ Preparation and lodgement of minutes of meeting with ASIC			
Proposals to Creditors	■ N/A	■ N/A	■ N/A	■ If required: ■ Preparing proposal notices and voting forms ■ Forward notice of proposal to all known creditors ■ Reviewing votes and determining outcome of proposal ■ Preparation and lodgement of proposal outcome with ASIC
Shareholder enquiries	■ Responding to shareholder enquiries ■ Drafting and releasing announcements via the ASX	■ Responding to shareholder enquiries ■ Drafting and releasing announcements via the ASX	■ Responding to shareholder enquiries ■ Drafting and releasing announcements via the ASX	■ Responding to shareholder enquiries ■ Drafting and releasing announcements via the ASX
Employees	54.90 hours \$27,528.00	16.00 hours \$8,000.00	10.00 hours \$5,000.00	80.00 hours \$40,000.00
Employee enquiries	■ Receive and follow up employee enquiries	■ Receive and follow up employee enquiries	■ Receive and follow up employee enquiries	■ Receive and follow up employee enquiries

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
	■ Maintain employee enquiry register	■ Maintain employee enquiry register	■ Maintain employee enquiry register	■ Maintain employee enquiry register
FEG	■ N/A	■ N/A	■ N/A	■ If necessary, tasks associated with FEG applications
Calculation of and early payment of entitlements	■ Calculating employee entitlements ■ Discuss employee entitlements with Payroll Manager ■ Reviewing employee files and company's books and records ■ Liaising with the ATO regarding outstanding superannuation ■ Liaising with solicitors regarding entitlements and application to the Court for the early payment of entitlements ■ Preparation of letters to employees advising of their entitlements and options available	■ Calculating employee entitlements ■ Payment of employee entitlements ■ Preparation and issuing of letters to employees advising of payments of their entitlements ■ Preparation of general updates to employees	■ Payment of employee entitlements (as required)	■ N/A
Employee dividend	■ N/A	■ N/A	■ N/A	■ Correspondence with employees regarding dividend ■ Calculating and preparing dividend ■ Advertising dividend notice if applicable ■ Preparing distribution if applicable ■ Ensuring PAYG is remitted to ATO if applicable

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
Trade On	1,245.30 hours \$724,122.00	138.00 hours \$69,000.00	144.00 hours \$72,000.00	500.00 hours \$250,000.00
Trade on management	■ Attending office and site ■ Tasks associated with reviewing continued trading including liaising with key management and Mining One ■ Liaising with management, employees, suppliers, and state and federal authorities ■ Authorising purchase orders and maintaining a purchase order register ■ Dealing with travel and accommodation arrangements ■ Preparing and authorising receipt and payment vouchers ■ Arranging payment of monthly payroll, including paying superannuation, child support and PAYG withholding ■ Liaising with solicitors regarding trading issues ■ Affecting gold bullion sales ■ Liaising with Wiluna staff and insurer regarding ongoing insurance ■ Reviewing Wiluna tenement register and current status of same ■ Internal meetings and discussions	■ Attending office and site ■ Tasks associated with reviewing continued trading including liaising with key management and Mining One ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna, including capital investment for Wiltails reprocessing, as required ■ Liaising with management, employees, suppliers, and state and federal authorities ■ Authorising purchase orders and maintaining a purchase order register ■ Dealing with travel and accommodation arrangements ■ Preparing and authorising receipt and payment vouchers ■ Arranging payment of monthly payroll, including paying superannuation, child support and PAYG withholding ■ Liaising with solicitors regarding trading issues ■ Affecting gold bullion sales	■ Attending office and site ■ Tasks associated with reviewing continued trading including liaising with key management and Mining One ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna, including capital investment for Wiltails reprocessing, as required ■ Liaising with management, employees, suppliers, and state and federal authorities ■ Authorising purchase orders and maintaining a purchase order register ■ Dealing with travel and accommodation arrangements ■ Preparing and authorising receipt and payment vouchers ■ Arranging payment of monthly payroll, including paying superannuation, child support and PAYG withholding ■ Liaising with solicitors regarding trading issues ■ Affecting gold bullion sales	■ Application to the Court for approval to trade in a liquidation scenario. Subject to Court approval, the tasks outlined below will be performed. ■ Attending office and site ■ Tasks associated with reviewing continued trading including liaising with key management and Mining One ■ Reviewing and considering Mining One's "Value Opportunity Study" and tasks to implement opportunities available to Wiluna, including capital investment for Wiltails reprocessing, as required ■ Liaising with management, employees, suppliers, and state and federal authorities ■ Authorising purchase orders and maintaining a purchase order register ■ Dealing with travel and accommodation arrangements ■ Preparing and authorising receipt and payment vouchers ■ Arranging payment of monthly payroll, including paying superannuation, child support and PAYG withholding

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
		■ Liaising with Wiluna staff and insurer regarding ongoing insurance ■ Reviewing Wiluna tenement register and current status of same ■ Internal meetings and discussions	■ Liaising with Wiluna staff and insurer regarding ongoing insurance ■ Reviewing Wiluna tenement register and current status of same ■ Internal meetings and discussions	■ Liaising with solicitors regarding trading issues ■ Affecting gold bullion sales ■ Liaising with Wiluna staff and insurer regarding ongoing insurance ■ Reviewing Wiluna tenement register and current status of same ■ Internal meetings and discussions
Budgeting and financial reporting	■ Preparing and monitoring cashflow forecasts ■ Liaising with Wiluna management in relation to forecasts and reporting ■ Preparing financial analysis to evaluate trading position, including trading profit or loss statement ■ Preparing data for cashflow analysis ■ Attending to the reconciliation of manual process with automated reporting to ensure liability is captured ■ Reporting status of trading position to Wiluna and Administrators' staff ■ Attending to the ongoing review of updated cashflows and reporting on forecasts ■ Preparing intercompany loan summary including co-ordinating intercompany transfers to ensure cash coverage for Wiluna liabilities	■ Preparing and monitoring cashflow forecasts ■ Liaising with Wiluna management in relation to forecasts and reporting ■ Preparing financial analysis to evaluate trading position, including trading profit or loss statement ■ Preparing data for cashflow analysis ■ Attending to the reconciliation of manual process with automated reporting to ensure liability is captured ■ Reporting status of trading position to Wiluna and Administrators' staff ■ Attending to the ongoing review of updated cashflows and reporting on forecasts ■ Preparing intercompany loan summary including co-ordinating	■ Preparing and monitoring cashflow forecasts ■ Liaising with Wiluna management in relation to forecasts and reporting ■ Preparing financial analysis to evaluate trading position, including trading profit or loss statement ■ Preparing data for cashflow analysis ■ Attending to the reconciliation of manual process with automated reporting to ensure liability is captured ■ Reporting status of trading position to Wiluna and Deed Administrators' staff ■ Attending to the ongoing review of updated cashflows and reporting on forecasts ■ Preparing intercompany loan summary including co-ordinating	■ Preparing and monitoring cashflow forecasts ■ Liaising with Wiluna staff in relation to forecasts and reporting ■ Preparing financial analysis to evaluate trading position, including trading profit or loss statement ■ Preparing data for cashflow analysis ■ Attending to the reconciliation of manual process with automated reporting to ensure liability is captured ■ Reporting status of trading position to Wiluna and Liquidators' staff ■ Attending to the ongoing review of updated cashflows and reporting on forecasts ■ Preparing intercompany loan summary including co-ordinating intercompany transfers to ensure

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
	■ Reviewing and reconciling post-appointment bank account transactions ■ Reviewing company's budgets and financial statements ■ Meetings to discuss trading position and tailings reprocessing	intercompany transfers to ensure cash coverage for Wiluna liabilities ■ Liaising with Finance team to prepare data inputs to cashflow ■ Reviewing and reconciling post-appointment bank account transactions ■ Reconciling post-appointment bank accounts ■ Reviewing company's budgets and financial statements ■ Meetings to discuss trading position	intercompany transfers to ensure cash coverage for Wiluna liabilities ■ Liaising with Finance team to prepare data inputs to cashflow ■ Reviewing and reconciling post-appointment bank account transactions ■ Reconciling post-appointment bank accounts ■ Reviewing company's budgets and financial statements ■ Meetings to discuss trading position	cash coverage for Wiluna liabilities ■ Liaising with Finance team to prepare data inputs to cashflow ■ Reviewing and reconciling post-appointment bank account transactions ■ Reconciling post-appointment bank accounts ■ Reviewing company's budgets and financial statements ■ Meetings to discuss trading position
Investigations	Nil	Nil	Nil	1,200.00 hours \$600,000.00
Conducting investigation	■ N/A	■ N/A	■ N/A	■ Continue review of company's books and records ■ Continue review and preparation of company nature and history ■ Review of specific transactions and liaising with directors regarding certain transactions ■ Liaising with directors regarding certain transactions ■ Preparation of investigation file ■ Lodgement of investigation with the ASIC ■ Preparation and lodgement of supplementary report if required

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
Solvency Assessment/ Insolvent Trading	■ N/A	■ N/A	■ N/A	■ Reviewing and assessing solvency position including performing analyses of financial statements and relevant indicia of insolvency ■ Reviewing and compiling available records in support of solvency position ■ Searches on the Directors' financial position ■ Reviewing director and officers' insurance policies ■ Internal meetings to discuss and assess position ■ Preparation of position paper regarding solvency assessment ■ Liaising with solicitor regarding solvency assessment ■ Enquiries to understand the potential reasons for failure
May 2022 Capital Raise	■ N/A	■ N/A	■ N/A	■ Reviewing and collating available records and information ■ Tasks associated with any recoveries from capital raise
Examinations	■ N/A	■ N/A	■ N/A	■ Preparing brief to solicitor as required ■ Liaising with solicitor regarding examinations as required ■ Attendance at examination as required ■ Reviewing examination transcripts as required

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
				■ Liaising with solicitor regarding outcome of examinations and further actions available as required
Litigation / Recoveries	■ N/A	■ N/A	■ N/A	■ Internal meetings to discuss status of litigation as required ■ Preparing brief to solicitors as required ■ Liaising with solicitors regarding recovery actions as required ■ Attending to negotiations ■ Attending to settlement matters as required
ASIC reporting	■ N/A	■ N/A	■ N/A	■ Preparing statutory investigation reports ■ Preparing affidavits seeking non-lodgement assistance as required ■ Liaising with ASIC
Dividend	Nil	Nil	Nil	150.00 hours \$75,000.00
Processing proofs of debt (POD)	■ N/A	■ N/A	■ N/A	■ Preparation of correspondence to potential creditors inviting lodgement of POD if required ■ Receipt of POD ■ Maintain POD register ■ Adjudicating POD if required

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
				■ Request further information from claimants regarding POD if required ■ Preparation of correspondence to claimant advising outcome of adjudication if required
Dividend procedures	■ N/A	■ N/A	■ N/A	■ If required: ■ Preparation of correspondence to creditors advising of intention to declare dividend ■ Advertisement of intention to declare dividend ■ Obtain clearance from ATO to allow distribution of company's assets ■ Preparation of dividend calculation ■ Preparation of correspondence to creditors announcing declaration of dividend ■ Advertise announcement of dividend ■ Preparation of distribution ■ Preparation of dividend file ■ Preparation of payment vouchers to pay dividend ■ Preparation of correspondence to creditors enclosing payment of dividend

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
Administration	70.00 hours \$23,987.50	16.00 hours \$8,000.00	3.00 hours \$1,500.00	60.00 hours \$30,000.00
Correspondence	■ General correspondence with various parties	■ General correspondence with various parties	■ General correspondence with various parties	■ General correspondence with various parties
ASX Compliance	■ Attending to ASX continuous disclosure requirements ■ Engagement with Wiluna's auditors regarding financial accounts	■ Attending to ASX continuous disclosure requirements ■ Engagement with Wiluna's auditors regarding financial accounts	■ Attending to ASX continuous disclosure requirements ■ Engagement with Wiluna's auditors regarding financial accounts	■ Attending to any necessary ASX disclosures
Document maintenance/file review/checklist	■ Filing of documents ■ File reviews ■ Updating checklists	■ Filing of documents ■ File reviews ■ Updating checklists	■ Filing of documents ■ File reviews ■ Updating checklists	■ Filing of documents ■ File reviews ■ Updating checklists
Insurance	■ Correspondence with insurer regarding ongoing insurance requirements	■ Correspondence with insurer regarding ongoing insurance requirements	■ Correspondence with insurer regarding ongoing insurance requirements	■ Correspondence with insurer regarding ongoing insurance requirements
Funds handling	■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers	■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers ■ Preparing correspondence to close accounts	■ Preparing correspondence opening accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers	■ Preparing correspondence opening and closing accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers
ASIC Forms and lodgements	■ Liaising with and attending to requests from ASIC ■ Liaising with ASIC regarding Administrators' report to ASIC ■ Drafting and lodging revised DIRRI	■ N/A	■ Preparing and lodging ASIC forms ■ Correspondence with ASIC regarding statutory forms	■ Liaising with and attending to requests from ASIC ■ Liaising with ASIC regarding supplementary report ■ Preparing and lodging ASIC forms

Task area/ General description	Work already done	Future work to meeting date	Future work from meeting to execution of DOCA	Liquidation work
				■ Correspondence with ASIC regarding statutory forms
ATO and other statutory reporting	■ Preparing BAS ■ Completing STP reporting obligations	■ Preparing BAS ■ Completing STP reporting obligations	■ Preparing BAS ■ Completing STP reporting obligations	■ Notification of appointment ■ Preparing BAS ■ Completing STP reporting obligations
Finalisation	■ N/A	■ Notifying ATO of finalisation ■ Completing checklists ■ Finalising WIP	■ N/A	■ Notifying ATO of finalisation ■ Cancelling ABN / GST / PAYG registration ■ Completing checklists ■ Finalising WIP
Planning / Review	■ Discussions regarding status of administration ■ Preparing task lists ■ Attending meetings discussing status of the administration ■ Weekly budget review of the Voluntary Administrators' fees	■ Discussions regarding status of administration ■ Preparing task lists ■ Attending meetings discussing status of the administration ■ Weekly budget review of the Voluntary Administrators' fees	■ Discussions regarding status of administration ■ Preparing task lists ■ Attending meetings discussing status of the DOCA	■ Discussions regarding status of administration ■ Preparing task lists ■ Attending meetings discussing status of the liquidation ■ Weekly budget review of the Liquidators' fees

Schedule B – Time spent by staff on each major task (work already done)

Employee	Position	\$ /hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area									
					Assets		Creditors		Employees		Trade on		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Kathryn Warwick	Senior Managing Director	\$740.00	104.70	\$77,478.00	31.40	\$23,236.00	14.00	\$10,360.00	1.50	\$1,110.00	57.80	\$42,772.00	0.00	-
Michael Ryan	Senior Managing Director	\$740.00	295.20	\$218,448.00	0.00	-	0.00	-	0.00	-	295.20	\$218,448.00	0.00	-
Daniel Woodhouse	Senior Managing Director	\$740.00	0.40	\$296.00	0.00	-	0.00	-	0.00	-	0.30	\$222.00	0.10	\$74.00
Matthew Chivers	Managing Director	\$680.00	304.40	\$206,992.00	2.30	\$1,564.00	22.20	\$15,096.00	10.50	\$7,140.00	269.40	\$183,192.00	0.00	-
Eileen Chan	Managing Director	\$680.00	64.50	\$43,860.00	0.00	-	0.00	-	0.00	-	64.50	\$43,860.00	0.00	-
James Mazzone	Senior Director	\$620.00	115.80	\$71,796.00	0.90	\$558.00	29.60	\$18,352.00	6.90	\$4,278.00	77.60	\$48,112.00	0.80	\$496.00
James Mazzone	Director	\$550.00	47.90	\$26,345.00	0.00	-	13.20	\$7,260.00	0.00	-	34.70	\$19,085.00	0.00	-
Mei Xuan Lai	Senior Consultant II	\$500.00	21.40	\$10,700.00	0.00	-	3.30	\$1,650.00	6.00	\$3,000.00	5.60	\$2,800.00	6.50	\$3,250.00
Mei Xuan Lai	Senior Consultant I	\$450.00	19.30	\$8,685.00	0.00	-	11.60	\$5,220.00	0.30	\$135.00	3.20	\$1,440.00	4.20	\$1,890.00
Georgina Wright	Senior Consultant I	\$450.00	28.70	\$12,915.00	0.00	-	9.00	\$4,050.00	8.10	\$3,645.00	11.30	\$5,085.00	0.30	\$135.00
Georgina Wright	Consultant II	\$405.00	62.60	\$25,353.00	0.00	-	1.40	\$567.00	4.00	\$1,620.00	57.20	\$23,166.00	0.00	-
Starli Smith	Consultant I	\$375.00	206.70	\$77,512.50	0.00	-	12.50	\$4,687.50	17.60	\$6,600.00	170.70	\$64,012.50	5.90	\$2,212.50
Starli Smith	Associate II	\$350.00	93.10	\$32,585.00	0.00	-	1.00	\$350.00	0.00	-	89.90	\$31,465.00	2.20	\$770.00
Sandesh Pereira	Consultant I	\$375.00	0.60	\$225.00	0.00	-	0.30	\$112.50	0.00	-	0.30	\$112.50	0.00	-
Robyn Hardeman	Treasury	\$300.00	7.40	\$2,220.00	0.00	-	0.00	-	0.00	-	0.00	-	7.40	\$2,220.00
Claire Rees	Administration II	\$250.00	0.40	\$100.00	0.00	-	0.00	-	0.00	-	0.00	-	0.40	\$100.00
Yuet Yeng Yee	Treasury	\$300.00	5.00	\$1,500.00	0.00	-	0.00	-	0.00	-	0.00	-	5.00	\$1,500.00
Holly Wright	Treasury	\$300.00	4.00	\$1,200.00	0.00	-	0.00	-	0.00	-	0.00	-	4.00	\$1,200.00
Holly Wright	Consultant I	\$375.00	110.00	\$41,250.00	0.00	-	0.00	-	0.00	-	107.60	\$40,350.00	2.40	\$900.00
Alyse Kent	Treasury	\$300.00	5.10	\$1,530.00	0.00	-	0.00	-	0.00	-	0.00	-	5.10	\$1,530.00
Chelsea Fisk	Treasury	\$300.00	9.30	\$2,790.00	0.00	-	0.00	-	0.00	-	0.00	-	9.30	\$2,790.00
Janine Wigham	Treasury	\$300.00	14.80	\$4,440.00	0.00	-	0.00	-	0.00	-	0.00	-	14.80	\$4,440.00
Selina Naylor	Treasury	\$300.00	1.60	\$480.00	0.00	-	0.00	-	0.00	-	0.00	-	1.60	\$480.00
Total (ex GST)				\$868,700.50		\$25,358.00		\$67,705.00		\$27,528.00		\$724,122.00		\$23,987.50
GST				\$86,870.05										
Total (Incl GST)				\$955,570.55										
Total hours			1522.90		34.60		118.10		54.90		1245.30		70.00	
Avg hourly rate (ex GST)				\$570.43		\$732.89		\$573.29		\$501.42		\$581.48		\$342.68

Schedule C – Resolutions

Resolution 1 – Remuneration for Corporate Finance & Restructuring from 1 March 2023 to 16 June 2023

“That the remuneration of the Voluntary Administrators of Wiluna Operations Pty Ltd (Administrators Appointed) ACN 166 954 525 and their staff, for the period from 1 March 2023 to 16 June 2023, calculated at the hours spent at the rates detailed in the FTI Consulting Schedule of Standard Rates effective 1 July 2022 – Corporate Finance & Restructuring, is approved for payment in the amount of \$868,700.50, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 2 – Remuneration for Corporate Finance & Restructuring from 17 June 2023 to 7 July 2023

“That the future remuneration of the Voluntary Administrators of Wiluna Operations Pty Ltd (Administrators Appointed) ACN 166 954 525 and their staff, for the period from 17 June 2023 to 7 July 2023, calculated at the hours spent at the rates detailed in the FTI Consulting Schedule of Standard Rates effective 1 July 2022 – Corporate Finance & Restructuring, is approved for payment in the amount of \$208,000.00, exclusive of GST, to be drawn from available funds as time is incurred on a monthly basis or as funds become available.”

Resolution 3 – Voluntary Administration from the second meeting of creditors to execution of DOCA (if the Company is to execute a DOCA)

“That the remuneration of the Voluntary Administrators of Wiluna Operations Pty Ltd (Administrators Appointed) ACN 166 954 525 and their staff, from 7 July 2023 to execution of the Deed of Company Arrangement (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Voluntary Administrators and their staff, calculated on a time basis at the hourly rates set out in the Schedule of FTI Consulting standard rates effective 1 July 2022 – Corporate Finance & Restructuring, up to a capped amount of \$126,500.00, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 4 – Remuneration for Corporate Finance & Restructuring in Liquidation (if the Company is to be wound up)

“That the future remuneration of the Liquidators of Wiluna Operations Pty Ltd (Administrators Appointed) ACN 166 954 525 and their staff, from 7 July 2023 to conclusion of the liquidation (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Liquidators and their staff, calculated on a time basis at the hourly rates set out in the FTI Consulting Schedule of Standard Rates effective 1 July 2022 – Corporate Finance & Restructuring, up to a capped amount of \$1,296,000.00, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Schedule D – Summary of receipts and payments to 16 June 2023

WOPL Receipts and Payments	Local currency (\$)	USD:AUD FX rate	AUD
Receipts			
Gold sales	26,867,155		26,867,155
GST Refund	7,509,282		7,509,282
Concentrate sales (USD)	60,822,953	1.46	88,801,511
Intercompany transactions	64,790,791		64,790,791
Other receipts	637,251		637,251
Pre-appointment cash	3,180,760		3,180,760
Total Receipts	163,808,192		191,786,751
Payments			
Accommodation	(2,657,515)		(2,657,515)
Capital	(1,237,534)		(1,237,534)
Corporate	(715,906)		(715,906)
Finance leases	(1,791,681)		(1,791,681)
Financial advisor fees	(57,283)		(57,283)
Flights	(3,606,197)		(3,606,197)
Freight (USD)	(315,192)	1.46	(460,180)
Freight	(4,134,018)		(4,134,018)
Fuel	(6,869,492)		(6,869,492)
Gas	(2,034,402)		(2,034,402)
GEO (USD)	(77,433)	1.46	(113,051)
GEO	(721,759)		(721,759)
Intercompany transactions (USD)	(42,884,456)	1.46	(62,611,306)
Intercompany transactions	(8,846,250)		(8,846,250)
Maintenance	(5,144,818)		(5,144,818)
Mercuria loan interest (USD)	(6,086,867)	1.46	(8,886,825)
Mining	(2,037,949)		(2,037,949)
MRF and EPL	(237,365)		(237,365)
Other restructuring costs	(270,725)		(270,725)
Payroll and on-costs	(16,156,420)		(16,156,420)
Power	(5,383,005)		(5,383,005)
Processing	(7,610,735)		(7,610,735)
Processing (USD)	(183,212)	1.46	(267,489)
Projects	(74,457)		(74,457)
Rent and rates	(380,619)		(380,619)
Retention bonus and on-costs	(48,627)		(48,627)
Royalties	(11,693)		(11,693)
SURF OP	(34,675)		(34,675)
Technical advisor fees	(675,977)		(675,977)
Underground	(26,490,172)		(26,490,172)
Voluntary Administrators fees	(3,625,622)		(3,625,622)
Total Payments	(150,402,056)		(173,193,749)
Cash balance as at 16 June 2023	13,406,136		18,593,002

Schedule E – FTI Consulting schedule of rates effective 1 July 2022 – Corporate Finance & Restructuring

Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director/Appointee	740	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	680	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	620	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	550	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	500	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	450	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	405	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	375	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	350	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	315	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Treasury	300	Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities.
Junior Associate	250	Undergraduate in the latter stage of their university degree.

Typical classification	Standard Rates \$/hour	General guide to classifications
Administration 2	250	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Administration 1	210	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	210	Undergraduate in the early stage of their university degree.

** All rates listed above are exclusive of GST*

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

21. Appendix 11 – Information about creditors' trusts

21.1. Introduction on creditors' trusts

- A creditors' trust is a mechanism for the distribution of a fund to creditors of a company or group of companies which accelerates a company's exit from external administration. A trust is formed for the benefit of the relevant creditors, and the trust funds are paid to the trust for distribution to creditors in accordance with a trust deed.
- The use of a creditors' trust only involves potential risks and disadvantages when compared with the Companies remaining subject to a DOCA (noting the DOCA proposal contemplated the Companies remaining subject to the DOCA for a period while Creditors' Trust is on foot). We explain those potential risks and disadvantages below.
- We also provide the additional information required by ASIC in accordance with Regulatory Guide 82 entitled "External Administrations: Deeds of company arrangement involving a creditors' trust". A copy of the regulatory guide is available from the ASIC website at <https://download.asic.gov.au/media/4966380/rg82-published-17-december-2018.pdf> or from FTI Consulting on request.

21.2. Risks and disadvantages

The Trustees will have a limited role under the Creditors' Trust. Their role is to:

- adjudicate and make a final determination on claims; and
- distribute the Creditors' Trust Funds to Participating Creditors.

In those circumstances, and for the reasons set out below, the Administrators do not consider any potential risks associated with the proposed Creditors' Trust will have a material adverse effect on creditors in this case.

The risks of a creditors' trust compared to a company remaining subject to a DOCA can include:

- Creditors' claims against a company may be extinguished before the amount available for distribution to creditors has been ascertained. In this case, an amount of \$1.8 million is available for distribution to Participating Creditors shortly after the execution of the DOCA and the Creditors' Trust Deed, and there is the possibility for further distributions, up to a cap of \$39 million, to be made from the Cash Sweep Amount generated from ongoing trading.
- Creditors' claims against a company may be extinguished before all or some of the trust funds are received. In this case, there are funds immediately available to pay the amount of \$1.8 million to the Creditors' Trust to create the Creditors' Trust Fund. In addition, upon extinguishment of the Participating Creditors' claims against the Companies, new rights are created, as beneficiaries under the Creditors' Trust.

- The trustees may not have any right to terminate or vary the DOCA should the company not pe its contractual obligations under the DOCA. In this case, the Creditors’ Trust is immediately created upon execution of the DOCA and Creditors’ Trust Deed, and the Deed Administrators remain in control of the Companies during the DOCA.
- Creditors forgo their statutory rights under the Act to seek the assistance of the Court, including the right to seek orders to terminate or vary the DOCA and to appeal against the adjudication of claims. Creditors do however have rights as beneficiaries under the Trusts Act and as outlined in the DOCA proposal, the Trustees will have the power to convene a meeting of beneficiaries to vary the Trust. In addition, the DOCA is likely to be on foot for at least 12 to 18 months while the conditions precedent to effectuation of the DOCA are satisfied. Any aggrieved creditor will have an opportunity to avail itself of these statutory rights during that period.
- Creditors may agree to the DOCA proposal without being aware of the implications of a creditors’ trust. In this case, this report provides disclosure of material information about the DOCA and the Creditors’ Trust.
- The additional complexity of the legal and documentary arrangements needed to support the use of a creditors’ trust under a DOCA. This report provides disclosure of the legal and documentary information about the DOCA and the Creditors’ Trust. We do not believe the complexity of documentary arrangements propose a risk to creditors.
- The trustees’ identity, skills, remuneration and insurance arrangements may not be commensurate with those of a deed administrator; these factors are addressed in the table below. For the reasons set out in the table below, we do not believe the Trustees’ identity, skills, remuneration and insurance arrangements pose a risk to creditors.
- Non-uniformity of the State and Territory Trustee Acts governing trusts and trustees; the Creditors’ Trust will be governed by the Trustees Act. We do not believe the application of the Trustees Act poses any risk for creditors.
- Differences in the ways trustees and registered liquidators are regulated and supervised, which may cause potential difficulties for ASIC and creditors to monitor and enforce proper conduct of the trustee. In a DOCA, creditors have the right to seek ASIC or court assistance under the Act. In a creditors’ trust, the creditors (as beneficiaries) would not have those statutory rights and instead would have rights under the Creditors’ Trust Deed, in law or in equity. As the proposed Trustees are registered liquidators, creditors will still be able to seek assistance from ASIC and the supervisory jurisdiction the Court has over trustees. Accordingly, we do not believe this difference creates a material risk for creditors.

Item	Detail
Reasons for the Creditors’ Trust	The Creditors’ Trust is required to: 1. Distribute funds of \$1.8 million towards the claims of the Participating Creditors without them having to bear any risk associated with effectuation of the DOCA; 2. Undertake further feasibility studies;

Item	Detail
	3. Strengthen Wiluna's balance sheet to achieve the turnaround strategy, which will, in turn: a. assist WMC to raise funds from existing shareholders totaling \$6,670,000 for the CIL Tank Upgrade works; b. assist the Companies to acquire goods and services, and obtain credit; and c. assist WMC to raise further capital to restart mining and produce gold doré, and recommence trading on the ASX; and 4. Provide a mechanism to enable the Companies to continue to repay the balance of the claims of the Participating Creditors after effectuation of the DOCA.
Key events	If creditors vote in favour of the DOCA proposal at the Second Meeting: 1. Execution of agreements with Non-Participating Creditors; 2. Within 15 business days of the second meeting of creditors, a DOCA to conform materially to the DOCA proposal, will be executed, together with the Creditors' Trust Deed; 3. Upon execution of the DOCA, and Creditors' Trust Deed, the Creditors' Trust will be established and the Deed Administrators will become Trustees of the Creditors' Trust. The claims of all Participating Creditors who are bound by the DOCA will be converted from a claim against the Companies and a right to prove as a creditor in the DOCA, to the right to participate as a beneficiary of the Creditors' Trust. The effect being all creditors' rights against the Companies are released and creditors' only recourse are as a beneficiary of the Creditors' Trust; 4. Within 5 business days after execution of the DOCA and Creditors' Trust Deed, the Deed Administrators will transfer \$1.8 million to the Trustees of the Creditors' Trust and will form the initial Creditors' Trust Fund. The Trustees will hold the Creditors' Trust Fund in accordance with the terms of the Creditors' Trust Deed; 5. The Trustees will undertake a formal adjudication process of beneficiaries' claims and as soon as practicable, distribute an initial dividend of an estimated 5 cents in the dollar to Participating Creditors (assuming certain Non-Participating Creditors do not participate as Participating Creditors). Any dividend payment may be delayed if an appeal is commenced against an adjudication; 6. The Deed Administrators will continue trading the Companies to execute the turnaround plan and take the necessary steps to execute the conditions precedent of the DOCA as outlined at section 7.4.3; 7. The Companies continue to pay principal and interest on Mercuria's secured debt. Once Mercuria has been repaid in full, and there are sufficient funds available in the Creditors' Trust Fund, as soon as practicable, further distributions will be made to Participating Creditors; 8. Following effectuation of the DOCA, the Companies will no longer be subject to external administration and will not be required to use the notification 'Subject to Deed of Company Arrangement' on public documents; and 9. The Creditors' Trust will be dissolved on the earlier of: a. the date on which Mercuria has been repaid in full and all Participating Creditors' rights and entitlements to receive a distribution from the Creditors' Trust have been satisfied

Item	Detail
	or extinguished (whether through payment in full, the exercise of conversion rights, or agreement at a meeting of beneficiaries); or b. the amount of \$39 million has been paid into the Creditors' Trust. c. the date that is 80 years after the execution of the Creditors' Trust Deed.
Return to creditors	Participating Creditors are to receive an initial estimated dividend of 5 cents in the dollar, and further distributions up to a cap of \$39 million. The forecast return to creditors is discussed in Section 8 of this report.
Trustee particulars	The Administrators will be the Trustees of the Creditors' Trust. The Administrators are registered liquidators and have the relevant skills and experience to perform the required duties and functions as trustees of Creditors' Trusts. The Administrators consider there is no conflict of interest in them acting as Trustees and they have adequate civil liability insurance (including professional indemnity and fidelity) which will cover conduct by them in their capacity as Trustees of the Creditors' Trust. ASIC has certain supervisory powers (including the power to direct a registered liquidator to do certain things and disciplinary powers) in relation to the conduct of the Trustees. The Administrators will require any replacement trustee (if required) to also be a registered liquidator.
Remuneration and costs	The Creditors' Trust will provide for payment of the following from the Creditors' Trust Funds in priority to any distribution to creditors: - Any approved remuneration owing to the Deed Administrators and the Administrators which remains unpaid as at the date of the DOCA being terminated and the Creditors' Trust coming into effect. - Remuneration and costs due to the Trustees. The Trustees' remuneration will be based on the hours spent by the Trustees, calculated in accordance with the FTI Consulting Standard Rates effective 1 July 2022, which is enclosed in the Remuneration Approval Report found in Appendix 10 of this report. We have estimated the remuneration and costs of the Trustees to be approximately \$470,000 (excluding GST). This estimate assumes the adjudication of beneficiary claims does not require litigation or protracted negotiations and the distributions from the Creditors' Trust Fund occur in the timeframes proposed. It is not possible to estimate the quantum of Trustees' fees which may otherwise be incurred. We do not consider additional professional fees will be incurred as a result of the use of the Creditors' Trust, compared with the position if the Companies remained subject to a DOCA only. In a DOCA, the Deed Administrators' remuneration must be agreed by the committee of inspection or approved by resolution of creditors or by the Court. A creditor (among other parties) may apply to the Court to review the remuneration. On such an application, the Court must have regard to whether the Deed Administrators' remuneration is reasonable having regard to a list of specified criteria in IPS 60-12 and the Court can affirm, vary or set aside the Deed Administrators' remuneration. In a creditors' trust, there is no equivalent statutory procedure in the Trustees Act pursuant to which beneficiaries, the Committee of Creditors or the Court must agree or approve the Trustees' remuneration. A beneficiary can seek to review or challenge the Trustees' remuneration by application to the Supreme Court of Western Australia.

Item	Detail
Indemnities	The Trustees will have all the powers of a natural person or a corporation in connection with the exercise of their rights and compliance with their obligations under the Creditors' Trust. The Trustees may exercise their rights and comply with their obligations under the Creditors' Trust in any manner they think fit. A deed administrator is governed by the Act whilst a trustee is governed by the Creditors' Trust Deed and the Trustees Act. The proposed role of the Trustees here is limited to calling for and adjudicating on claims and distributing the Creditors' Trust Fund. The Administrators will require the Creditors' Trust Deed to incorporate the same powers which would usually apply to a Deed Administrator. There are unlikely to be any deficiencies in the power of the Trustees to perform their limited functions, which may lead to applications to Court.
Powers	The Trustees will have all the powers of a natural person or a corporation in connection with the exercise of their rights and compliance with their obligations under the Creditors' Trust. The Trustees may exercise their rights and comply with their obligations under the Creditors' Trust in any manner they think fit. A deed administrator is governed by the Act whilst a trustee is governed by the Creditors' Trust Deed and the Trustees Act. The proposed role of the Trustees here is limited to calling for and adjudicating on claims and distributing the Creditors' Trust Fund. The Administrators will require the Creditors' Trust Deed to incorporate the same powers which would usually apply to a Deed Administrator. There are unlikely to be any deficiencies in the power of the Trustees to perform their limited functions, which may lead to applications to Court.
Claims of priority and ordinary creditors	The claims of Participating Creditors will be dealt with in accordance with the terms of the DOCA and the Creditors' Trust Deed. The values of the claims are to be determined by the Trustees. The Trustees will have unrestricted and free access to all the books and records of the Companies necessary to determine claims. The Creditors' Trust Deed will incorporate the relevant provisions of the Act to reflect the Creditors' proof and dividend procedures under the Act, with certain modifications as are necessary, meaning proofs submitted by creditors will generally be adjudicated as if they were proofs submitted in a liquidation of the Companies. The creditors' priorities (as beneficiaries of the Creditors' Trust) will follow the priorities set out in section 556 of the Act, subject to the terms of the DOCA. Upon creation of the Creditors' Trust all Participating Creditors' claims which were bound by the DOCA will be converted from claims against the Companies and a right to prove as creditors in the DOCA to the right to participate as a beneficiary of the Creditors' Trust. The effect of this is all creditors' rights against the Companies are extinguished and creditors' only recourse is as a passive beneficiary of the trust fund.
Other creditor / beneficiary differences	The Creditors' Trust provides some differences for creditors compared to a DOCA, which include: 1. Any appeal of the Trustees' decision to reject a claim must be made within 14 days of the Trustees giving notice of rejection, or such longer period as the Trustees permit. In a liquidation, the Act (Regulation 5.6.54(1)(b)(i)) stipulates the appeal must be made within 14 days of the liquidator giving notice of rejection, or such longer period as the court permits. 2. In a DOCA, creditors have rights to call a meeting of creditors, or apply to the court to vary or terminate the DOCA. In a creditors' trust, creditors do not have this right. However, the Creditors' Trust Deed will stipulate the requirements of the Act and Regulations relating to

Item	Detail
	creditors' meetings, and the ability of the creditors to require a meeting to be held, will also apply to the Creditors' Trust. 3. Beneficiaries of the Creditors' Trust will have the same ability to report the conduct of the Trustees to ASIC as they would in a DOCA, as the Trustees are registered liquidators. We do not consider these differences will have a material adverse effect on Creditors.
FEG	Current and former employees should note effectuation of the DOCA will prohibit their ability to access the FEG scheme for any outstanding entitlements, in particular leave and retrenchment, as the FEG scheme is only available if a company goes into liquidation. Former employees were paid their outstanding leave and retrenchment entitlements on 22 June 2023, and outstanding Superannuation Guarantee Charge will be shortly paid to the ATO. Current employees will continue to have their entitlements paid in the ordinary course and they will retain their leave and retrenchment entitlements with the Companies through the DOCA.
Compliance opinion	The Proponents of the DOCA are the Administrators. The minimum contribution to the Creditors' Trust Fund is being provided from existing cash resources and no debt is required to facilitate this contribution. The Administrators therefore consider they are capable of complying, and are likely to comply with their obligations as Deed Administrators and Trustees, if the DOCA proposal is approved by creditors. We have not discussed the matter with the corporate regulators, including ASIC and the ASX, and therefore we cannot comment regarding any regulatory relief.
Solvency statement	The Deed Administrators have formed the opinion the Companies will be solvent at the date of effectuation of the DOCA, if the DOCA is wholly effectuated on the terms proposed, as all claims of creditors will be extinguished against the Companies and will be transferred to the Creditors' Trust. Based on our forecasting, we consider sufficient resources are available for ongoing viable trading.
Tax (company / trust)	The creation of a creditors' trust creates the potential for some taxation issues to arise, as compared to an ordinary DOCA proposal. These may mean the funds available to creditors are reduced in order to account for any taxation liabilities associated with the administration of the distribution process under a trust structure. The Trustees will ensure the DOCA provides for the costs of any forecast taxation liability to be paid into the Creditors' Trust Fund. We do not expect there will be any material changes to the funds available for distribution as a result of the Creditors' Trust structure, or any taxation, capital gains or stamp duty liabilities will arise.
Tax (creditor / beneficiary)	There may be some implications for admitted creditors as a result of receiving a distribution from a trust in respect of a bad or doubtful debt, rather than from the debtor company being administered under a DOCA. Creditors are advised to seek their own tax advice as to their particular tax position. The Administrators are unable to provide advice on this issue.
Other	We have not identified any other material aspects or implications of the Creditors' Trust at this stage.

22. Appendix 12 – Notice of Concurrent Second Meeting of Creditors

Wiluna Mining Corporation Limited ACN 119 887 606 ("WMC")
Wiluna Operations Pty Ltd ACN 166 954 525 ("WOPL")
Wiluna Gold Pty Ltd ACN 153 919 549
Kimba Resources Pty Ltd ACN 106 123 951
Zanthus Energy Pty Ltd ACN 129 728 374
Lignite Pty Ltd ACN 128 111 204
Scaddan Energy Pty Ltd ACN 128 388 634
(All Administrators Appointed) (together "Companies")

NOTICE OF CONCURRENT SECOND MEETING OF CREDITORS

Notice is now given that the concurrent second meeting of creditors of the Companies will be held at **10:00AM (AWST) on Friday, 7 July 2023 ("Meeting")**.

The Meeting is being held virtually only and all creditors wishing to attend the meeting are required to register their attendance with the Administrators ahead of the meeting. Once registration is confirmed, virtual meeting details will be provided.

Although there is no physical place where creditors can attend the meeting, I am required under law to nominate a notional place for the Meeting for administrative purposes. The notional place for this meeting is FTI Consulting, Level 47, 152-158 St Georges Terrace, PERTH WA 6000. **DO NOT ATTEND AT THIS LOCATION.**

AGENDA

1. The purpose of the Meeting is:
 - a) to review the report of the Administrators and their recommendation in connection with the business, property, affairs and financial circumstances of the Companies; and
 - b) for the creditors of the Companies to resolve:
 - that the Companies execute a Deed of Company Arrangement; or
 - that the Administration of the Companies should end; or
 - that the Companies be wound up.
- Or in the alternate:
 - That the Meeting be adjourned for a period no longer than 45 business days.
2. Creditors will be requested to fix the remuneration and disbursements to be paid to the Administrators of WMC and WOPL, as calculated on a time basis for the periods:
 - 1 March 2023 to 16 June 2023 (inclusive); and
 - 17 June 2023 to 7 July 2023 (inclusive).
3. If the Companies enter a Deed of Company Arrangement, the Voluntary Administrators of WMC and WOPL will seek to have creditors resolve to fix the remuneration of the Voluntary

Administrators, as calculated on a time basis for the period 7 July 2023 to the execution of the Deed of Company Arrangement.

4. If the Companies enter into a Deed of Company Arrangement, the Deed Administrators will seek to have creditors resolve whether to appoint committees of inspection for the Deed Administration and Creditors' Trust.
5. If the Companies enter Liquidation, the Liquidators will seek to have creditors resolve to fix the remuneration of the Liquidators of WMC and WOPL.
6. If the Companies enter Liquidation, the Liquidators will seek to have creditors resolve whether to appoint a committee of inspection.
7. If the Companies enter Liquidation, the Liquidators will seek to have creditors resolve that the Liquidators be authorised to destroy the books and records of the Companies three (3) months after deregistration of the Companies, subject to the consent of the ASIC.
8. Any other business properly brought before the Meeting.

Creditors wishing to attend the Meeting must:

- register their attendance;
- complete an Appointment of Proxy Form (if required); and
- complete a Formal Proof of Debt.

by no later than **12:00PM (AWST) on Thursday, 6 July 2023**, and return the completed documents via one of the following methods:

Email: wiluna@fticonsulting.com

Post: FTI Consulting, PO Box Z5486, PERTH WA 6831

If you choose to post the documents, please ensure they are sent with sufficient time to arrive by the due date. We encourage creditors to send their forms by email where possible.

Attendance of the meeting is optional and will not impact your claim.

Dated this 30th day of June 2023



Kathryn Warwick
Joint and Several Voluntary Administration