

Wiluna cashes up

by Fraser Palamara

As Wiluna Mining Corp Ltd anticipated kicking off Stage 1 commissioning at its namesake gold mine in December, the company secured a \$53 million placement to maintain development momentum and fund bigger plans in the pipeline.

The major cash injection only affirms the positive work the company has conducted since reining in the rebadged Wiluna mining operation in Western Australia, overhauling leadership and fostering long-term institutional support.

Executive chair Milan Jerkovic said while work had gone swimmingly, the threat of COVID-19 had still pushed the company's schedule back 2.5 months, triggering the need to top up its cash flow with the recent placement.

"We did meet our guidelines of reaching commissioning in Q4 2021," Jerkovic told **GMJ**. "But we also want to maintain our momentum of drilling and development in parallel, growing the scale of the mine and improving on the 10-year plan."

The drilling Jerkovic refers to is part of a double-pronged approach to grow the operation's output.

An updated resource estimate was published in November, detailing 36mt @ 3.9 g/t for 4.51 moz from both open pit and underground operations. Measured and indicated resources also grew by 28%, accounting for 2.73 moz @ 4.46 g/t and 60% of the total resources.

The new numbers on the board followed 175,000m of drilling over 18 months via eight RC and diamond rigs funded from a \$35 million budget.

Jerkovic said that work would be ongoing while the company continued its plans for Stage 2 development.

"We're drilling with three rigs underground now and potentially mobilising another two in January to maintain our resource development and improving our immediate mine plan," he said. "I'm not sure of the exact metres, but we are looking to spend another \$10 million on drilling between December and June.

"Some of that will be infill drilling and the rest for an extensional box. We know we have unmined, immediate extensions at 300m levels that would form a new mining box right next to our existing development.

"We expect the drilling to also contribute to further resource conversions going into the Stage 2 feasibility study."

Stage 1 commissioning at Wiluna at time of print was expected to produce 120,000 ozpa gold through a processing rate of 750,000 tpa at AISC of \$US1,150-1,200/oz.

The Stage 2 feasibility study is expected to finish this March with commissioning targeted for Q1 FY24. The second stage would improve production to 250,000 ozpa and a processing rate of 1.5 mtpa.

An AISC for Stage 2 was not disclosed at the time, but the company expected improvements due to increased gold grade and a reduction in development costs per tonne.

There seems to be little doubt Wiluna can follow through on Stage 2 so quickly after achieving Stage 1 production, given the strong support seen through the share placement. Polymetal International Plc, who is signed on for 70% of production from Wiluna over the first three years, became a shareholder by spending \$7 million.

"Polymetal's investment was modest, but it was non-conditional and a sign of support during the current phase and for Stage 2," Jerkovic said.



The Wiluna mining concentrator was due to begin commissioning by the end of 2021

The share placement also welcomed the experienced Vladislav Sviblov, chairman of recently privatised Highland Gold, to the register. He put down \$15 million.

"Sviblov is quite a sizeable mining entrepreneur," Jerkovic said. "He has recently bought up a couple of listed companies in the UK and privatised them, such as Trans-Siberian Gold.

"He has a strategic interest in taking up a position and seeing us through to that

250,000oz production rate and to hopefully double that again over the next five years.

"We see him as a good partnership to our conventional funds. His interest is modest at this stage, but it is strategic in terms of long-term support."

Much of Wiluna's institutional support comes from Europe and North America, persuading the company to pursue a listing on the LSE.

"We are looking at that in the next few months," Jerkovic said. "It would be done with a view of attracting funds that don't directly go into the ASX and it would also be a non-fund-raising listing. The process is well progressed so far. It's just now a matter of timing with the documents.

"It's a very important six months at Wiluna. All the work we've done so far to repair the balance sheet, stabilise cash flow and invest in drilling is coming to fruition and that performance will be judged in the next few months."