Wiluna Mining Corporation Ltd: Further Outstanding Drill Results

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Perth, Australia - Wiluna Mining Corp. Limited (ASX:WMX) (FRA:NZ3) (OTCMKTS:BKHRF) is pleased to report more exceptional high-grade results from resource development and infill drilling at the Wiluna Mining Centre. This will enable the Company to complete detailed Mineral Resources and Reserves estimates as part of the Stage 1 sulphides expansion project. At this stage, the Company intends to provide its update to its Mineral Resource estimation in September 2020 and Reserves in December 2020.

The Company is well progressed in its initial 45,000-metre drilling program at the Wiluna Mining Operation with the primary focus on drilling the sulphide ore bodies in support of the proposed mine development sequence at the Wiluna Mining Centre with the intention to achieve the following;

1. Significantly increase the confidence in the sulphide resources from inferred to indicated category which will in turn underpin the Stage 1 Reserve estimation.

2. Add valuable tonnes and ounces to the Company's overall Mineral Resources; and

3. Find new, high grade shoots that will enhance the ounces per vertical metre and, more importantly, increase the grade. This will help consolidate Stage 1 and enhance the transition into Stage 2 which has the plan to increase production to +200kozpa of gold dore and gold in concentrate over a long mine life.

These latest results relate mainly to the Essex deposit (see Figure 1*). Essex is the second target in the sulphides to be drilled along with Bulletin with excellent results received from both these programs. The drilling is now taking place concurrently at third and fourth targets Calvert and East West. We expect results here in the next month. This will round out the first stage of the sulphide drilling by the end of June 2020.

Along with the high-grade results released on 26 May 2020 for the Bulletin program, these results are extremely encouraging to support the Company's plans to commence underground mining of sulphide ore to achieve its 750,000 tonnes of ore per annum for the Stage 1 processing sulphide expansion which is expected to produce between 110-120kozpa in gold dore and gold in concentrate from September 2021.

In the preliminary Stage 1 mining plan the average head grade of the underground ore at the Wiluna Mining Centre is 4.7 g/t. These drilling results give the Company great confidence that we may be able to increase the actual grade mined. The grade mined at Bulletin and the old Wiluna mine were > than 8 g/t.

The Company intends to upgrade the current Mineral Resource at the end of September 2020 and is targeting to upgrade the Ore Reserve in December 2020.

Following the successful commissioning of Stage 1 sulphides, the Company intends to, at a minimum, double the size of its concentrator and produce +200kozpa of gold and gold in concentrate.

Enhanced resources and reserves underpin the Company's 24-month, five-point strategy which is to:

1. Strengthen the balance sheet;
2. Increase operational cash flow;

3. Transition to include gold concentrate production;

4. Expand production; and

5. Undertake exploration and feasibility studies to fully develop a more than 200kozpa, long life gold operation.

Stage 1 Sulphide Resource Development

Wiluna Mining's initial drilling at Essex and Bulletin zones is designed to methodically increase the geological confidence in sulphide resources that underpin Stage 1 production. Essex and Bulletin are located close to surface and close to existing infrastructure, which allows for rapid and low-cost development.

The current mine plan includes 28% of inferred mineralisation in the first two years when mining is focussed at Essex and Bulletin, and 43% inferred in years three to four when mining extends to Calvert and East Lode. Consequently, the Company is undertaking aggressive infill and extensional drilling with a view to updating resources and reserves in the September and December quarters respectively.

These latest results are expected to improve the grade and geological confidence of current resources and reserves at Essex, where the mining inventory is currently 38koz @ 4.6g/t.

Latest results include:

WURC0856:

8m @ 5.31g/t from 168m, incl. 2m @ 18.12g/t
8m @ 15.20g/t from 248m, incl. 5m @ 23.00g/t
5m @ 3.95g/t from 287m, incl. 3m @ 6.26 g/t

WURC0861:
4m @ 24.46g/t from 159m, incl. 1m @ 94.5g/t
6m @ 16.78g/t from 174m
5m @ 3.13g/t from 199m, incl. 2m @ 21.30g/t
11m @ 10.51g/t from 220m

WURC0862:
14m @ 9.52 g/t from 162m, incl. 1 m @ 10.50g/t
4m@ 6.75 g/t from 230m, incl. 2m@11.41g/t

WURC0864:
3m@ 8.49g/t from 226m
5m@ 4.06g/t from 246m

At Essex, drilling to convert the existing inferred resource to the indicated category has defined a new high-grade zone and discovered a high-grade parallel lode (Figures 3 & 4*). Further drilling is planned to the south to follow up these results, while mineralisation is now largely closed off to the north.

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

The Bulletin zone, with past production of 900koz @ 8g/t, is located close to surface with existing decline access and minimal mine development required to access ore. Infill drilling has targeted inferred resources along strike to the north and south of previous mine workings (Figure 5*).

Latest drilling from the first target area located north of the main historical workings has returned significant results, including:

BULP0014: 7.4m @ 15.82g/t from 40.56m
BULP0015: 4.1m @ 4.88g/t from 44.15m

These latest results are expected to improve the grade and geological confidence of current resources and reserves at Bulletin, where the mining inventory is currently 67koz @ 4.2g/t, including approximately one quarter in the inferred resource category. Further infill drilling is planned from underground at further inferred resource targets (Figure 5*), with a view to updating resources and reserves in the September quarter.

Drilling is now focussed on the Calvert and East Lode zones (Figure 1*), which are important ore sources in the first four years of the Stage 1 sulphides mine plan. Further drilling results will be reported in due course ahead of updated resource and reserve estimates to be published for the Wiluna Gold Project in the September and December quarters respectively.

*To view tables and figures, please visit:
https://abnnewswire.net/lnk/A1L7LSS3

About Wiluna Mining Corporation Ltd:

[Wiluna Mining Corp.](#) (ASX:WMX) is a Perth based, ASX listed gold mining company that controls over 1,600 square kilometres of the Yilgarn Craton in the Northern Goldfields of WA. The Yilgarn Craton has a historic and current gold endowment of over 380 million ounces, making it one of most prolific gold regions in the world. The Company owns 100% of the Wiluna Gold Operation which has a defined resource of 6.4 Moz at a grade of 2.1 g/t Au. In May 2019, a new highly skilled management team took control of the Company with a clear plan to leverage the Wiluna Gold Operation's multi-million-ounce potential.

Source:

Wiluna Mining Corp. Ltd

Contact:

Milan Jerkovic Executive Chair +61 8 9322 6418 Jim Malone GM - Investor Relations +61 419 537 714 Dannika Warburton Media and Communications +61 401 094 261