

Acquisition to Expand Flagship Mulga Tank Ni-Cu-PGE Project

Key Points

- Binding agreement to acquire neighbouring ground and expand Mulga Tank Ni-Cu-PGE Project
- Gives WMG dominant position on the Minigwal Greenstone Belt - covering 37km strike and expanding project area to over 395km²
- New ground contains 12km trend of interpreted ultramafic bodies and potential feeder system for the Mulga Tank dunite intrusion (100% WMG)
- “Belt scale” opportunity on a significantly under explored greenstone belt prospective for Ni-Cu-PGE and gold
- Purchase consideration 500,000 shares, 500,000 options, 1% NSR to Duketon Mining (ASX:DKM)
- Ongoing MLEM survey at Mulga Tank has completed southern sector and currently infilling identified bedrock conductor anomalies

Western Mines Group Ltd (WMG or Company) (**ASX:WMG**) is pleased to update shareholders on a proposed acquisition and significant expansion of the flagship Mulga Tank Ni-Cu-PGE Project.

Summary

WMG has entered into a binding agreement to acquire 100% of the neighbouring ground held by Duketon Mining (ASX:DKM), contiguous to the Company’s current Mulga Tank project area. The acquisition expands WMG’s project area from 113km² to 395km², covering approximately 37km strike and the majority of the under explored Minigwal Greenstone Belt.

The new ground contains an 12km trend of interpreted ultramafic bodies on the western basal portion of the Minigwal Greenstone Belt, representing a potential feeder system for the Mulga Tank dunite intrusion, 100% owned by WMG. This trend has received little to no exploration focus to date, but given the clear evidence of a working Ni-Cu-PGE mineral system within the Mulga Tank intrusion, WMG considers it to also be prospective for Ni-Cu-PGE magmatic sulphide mineralisation. The rest of the Minigwal Greenstone Belt is also considered prospective for orogenic gold mineralisation.

The ongoing Moving Loop Electromagnetic (MLEM) survey at Mulga Tank (ASX, *Moving Loop EM Survey Commences at Mulga Tank Project, 7 October 2021*) has completed the southern sector of the intrusion and is currently infilling additional lines across a number of bedrock conductor targets identified.

Commenting on the Mulga Tank Project, WMG Managing Director Caedmon Marriott said:

“This strategic acquisition transforms our flagship Mulga Tank project to ‘belt scale’ and gives WMG a great footprint across the under explored Minigwal Greenstone Belt. Our ongoing MLEM survey is progressing well with the southern sector complete and infill lines in progress over a number of bedrock conductor targets identified.”

Project Overview

The Mulga Tank Project comprises exploration licence E39/2132 and exploration licence application E39/2223, covering the southern end of the Minigwal Greenstone Belt, 190km east-northeast of Kalgoorlie. The Minigwal Greenstone Belt, trending NNW over a strike of approximately 50km, is very under explored due to the presence of shallow sand cover. Tenement E39/2132 contains the entire Mulga Tank Dunite Intrusion, a major ultramafic intrusion and a key feature of the area, considered highly prospective for Ni-Cu-PGE magmatic sulphide mineralisation.

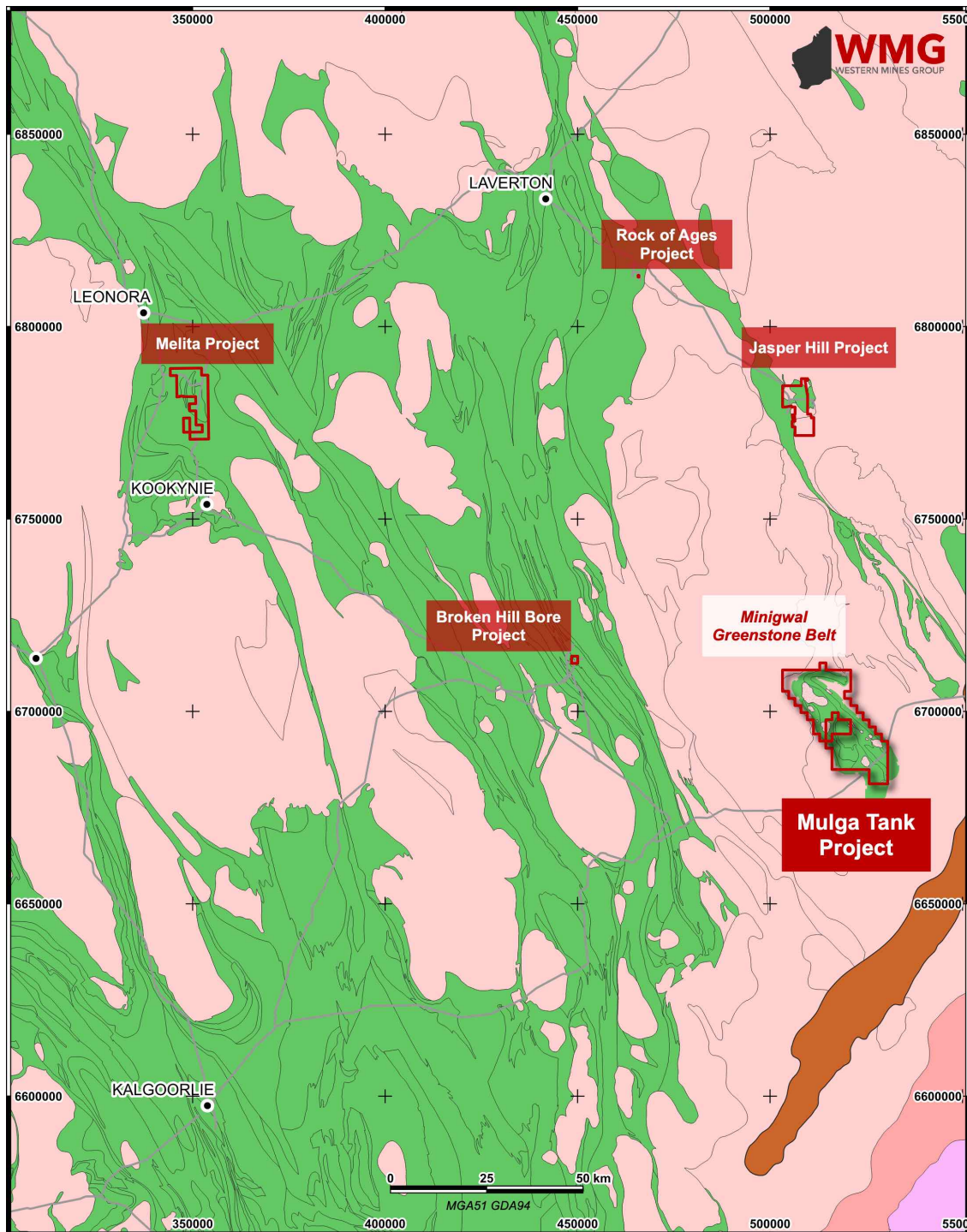


Figure 1: Location of WMG's Mulga Tank Project and other projects in the Eastern Goldfields of WA

The acquisition of the area covered by tenement application E39/2299 consolidates WMG's position over the Minigwal Greenstone Belt, expanding the Company's project area from 113km² to 395km² and covering approximately 37km strike of the belt.

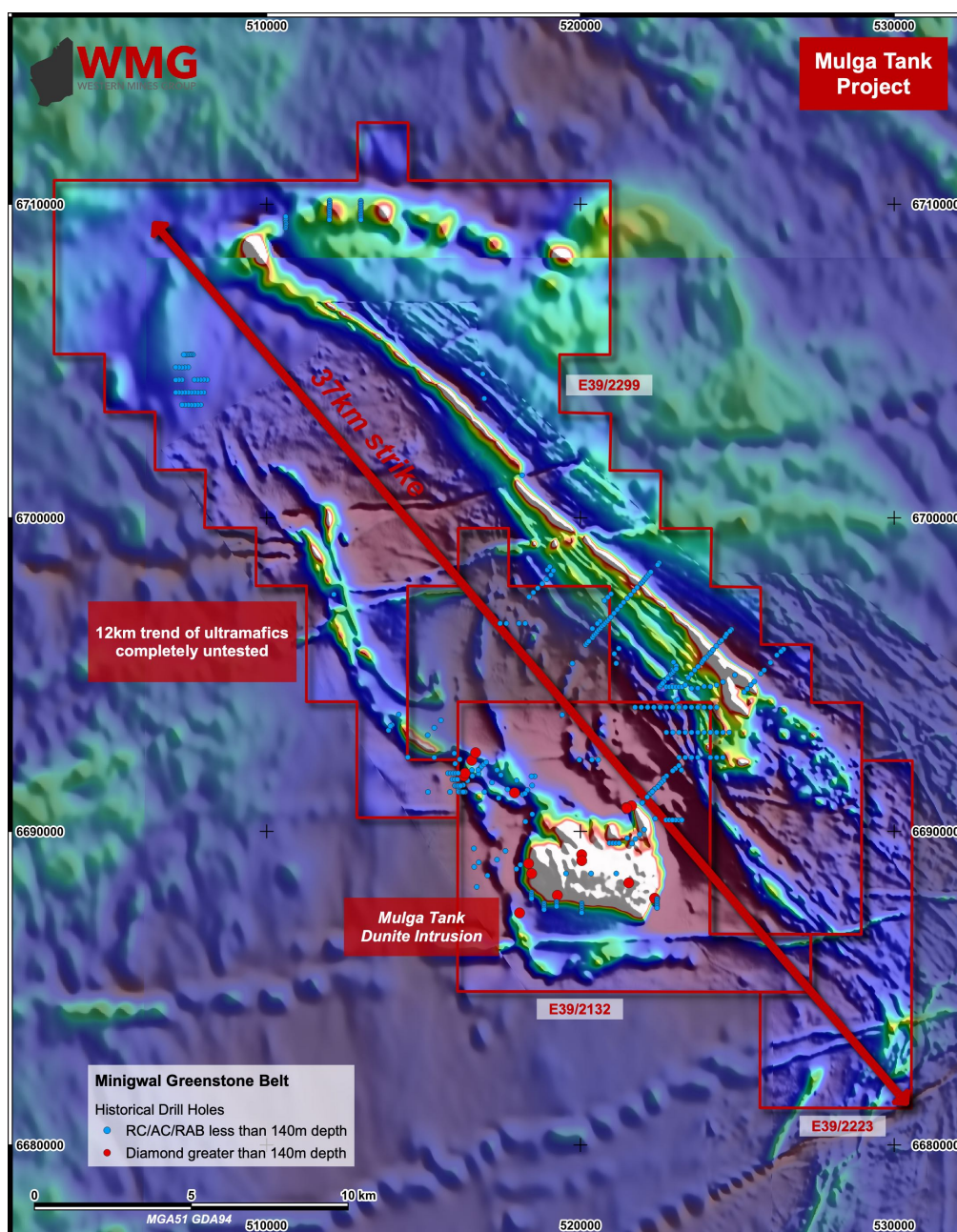


Figure 2: Airmag image of the WMG's Mulga Tank Project area (RTP Neshade L)

The Minigwal Greenstone Belt lies in the Duketon Domain of the Burtville Terrane of the Yilgarn Craton. The belt is considered to be significantly under explored. The Archean bedrock is masked by sand cover but is interpreted from aeromagnetic and historical drilling to consist of a northwesterly trending assemblage of ultramafic, mafic volcanic and sedimentary rocks that are fault bounded by granite to the east and west. The belt is divided into two parts: the eastern part of the belt comprises faulted granite and gneiss with thrust-repeated interlayered units of greenstone, BIF and ultramafic to mafic volcanic rocks and the western part of the belt comprises structurally controlled, steeply dipping ultramafic and mafic rocks adjacent to granites.

Tenement E39/2299 contains an 12km trend of interpreted ultramafic bodies on the western basal portion of the Minigwal Greenstone Belt, representing a potential feeder system for the Mulga Tank dunite intrusion (100% owned by WMG within tenement E39/2132). This trend has received little to no exploration focus to date, but given the clear evidence of a working Ni-Cu-PGE mineral system within the Mulga Tank intrusion, WMG considers these ultramafic bodies to also be prospective for Ni-Cu-PGE magmatic sulphide mineralisation. The rest of the Minigwal Greenstone Belt is also considered prospective for orogenic gold mineralisation.

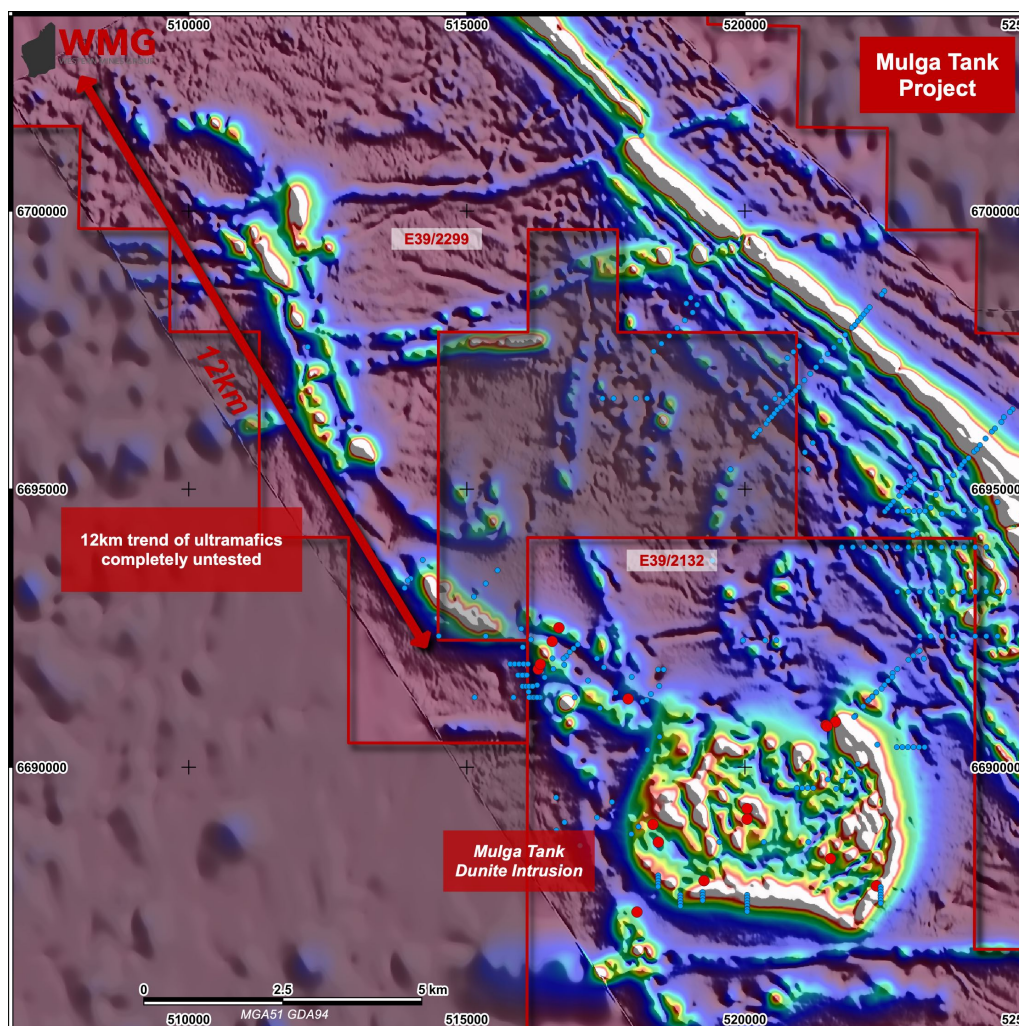


Figure 3: Ultramafic trend within tenement E39/2260 (AS NEshade L)

Summary of the Proposed Acquisition

The Company has signed a binding Agreement with Duketon Mining Limited (ASX:DKM) to acquire 100% of ground covered by tenement application E39/2299 (Tenement).

The acquisition consideration payable to Duketon will be 500,000 fully paid ordinary shares in the Company, 500,000 options over ordinary shares (with an exercise price of \$0.30 per share, exercisable 2 years from the date of issue) and the Company will grant Duketon a 1% Net Smelter Royalty (NSR) in respect of any minerals extracted and recovered from the Tenement.

Completion of the acquisition is expected to occur within 35 days or such other date as agreed between the parties.

MLEM Update

WMG is undertaking a high-powered MLEM survey at Mulga Tank (ASX, *Moving Loop EM Survey Commences at Mulga Tank Project, 7 October 2021*). To date the survey crew has completed the southern sector of the intrusion, covering an area of approximately 8.5km², along 20.6 line kilometres. The crew is currently infilling additional lines across a number of bedrock conductor targets identified before moving on to the central section of the survey area.

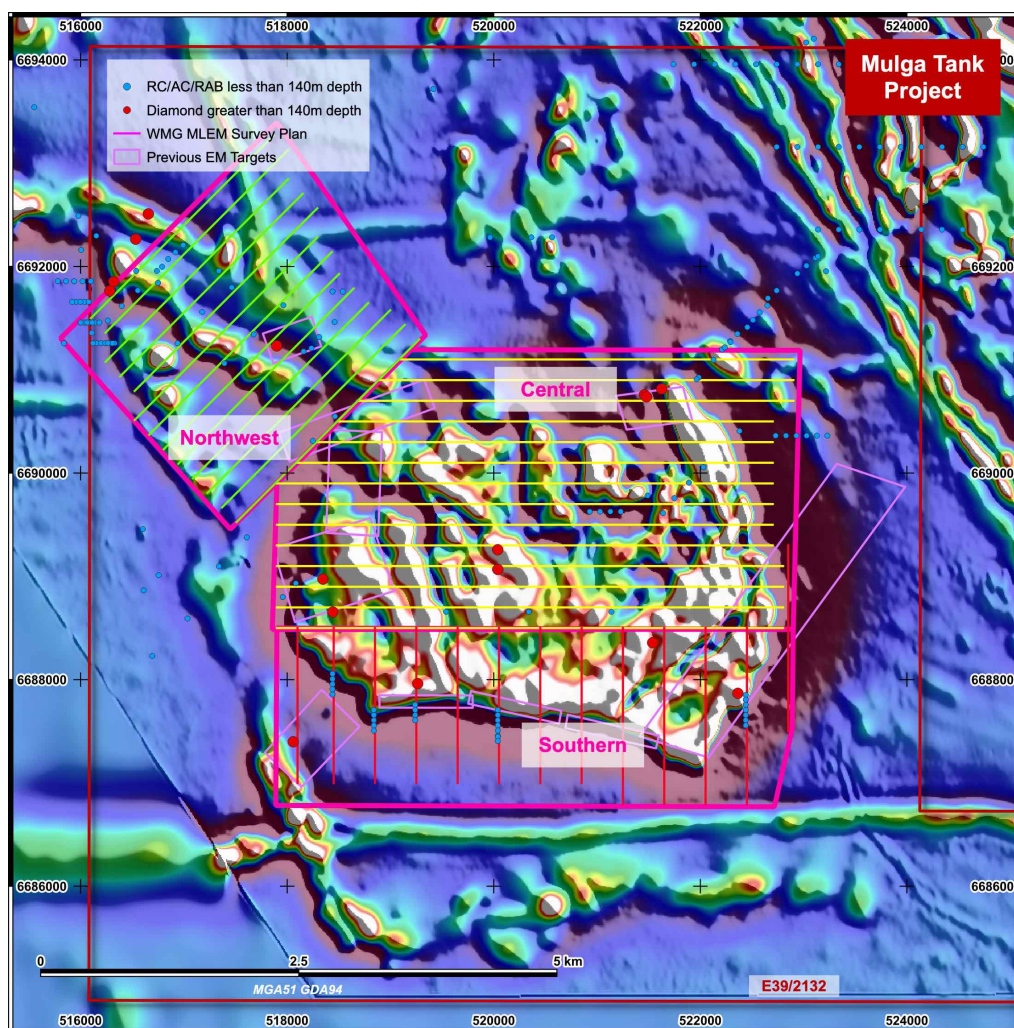


Figure 4: Mulga Tank MLEM Survey Plan

The Company looks forward to updating shareholders on the progress of these activities in due course.

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This announcement has been authorised for release to the ASX by the Board of Western Mines Group Ltd

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Board**Rex Turkington**

Non-Executive Chairman

Dr Caedmon Marriott

Managing Director

Francesco Cannavo

Non-Executive Director

Paul Burton

Non-Executive Director

Capital Structure

Shares: 43.8m
Options: 18.4m
Share Price: \$0.19
Market Cap: \$8.32m
Cash (30/09/21): \$5.03m

**About WMG**

Western Mines Group Ltd (ASX:WMG) is a mineral exploration company driven by the goal to create significant investment returns for our shareholders through exploration and discovery of high-value gold and nickel sulphide deposits across a portfolio of highly-prospective projects located on major mineral belts of Western Australia.

Our flagship project and current primary focus is the Mulga Tank Ni-Cu-PGE Project, a major dunite intrusive found on the under-explored Minigwal Greenstone Belt. Previous work shows significant evidence for a working sulphide mineral system and is considered highly prospective for Ni-Cu-PGE mineralisation.

WMG holds numerous other projects across major WA mineral belts including Melita (Au), midway between Kookynie and Leonora in the heart of the WA Goldfields and Jasper Hill (Au), with numerous prospective gold trends extending from the adjacent Lord Byron and Fish historical gold mines. The Company is also actively exploring Youanmi (Au), Pavarotti (Ni-Cu-PGE), Rock of Ages (Au), Broken Hill Bore (Au) and Pinyalling (Au).

Competent Persons Statement

The information in this announcement that relates to Exploration Results and other technical information complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Dr Caedmon Marriott, Managing Director of Western Mines Group Ltd. Caedmon is a Member of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Caedmon consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which WMG operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside WMG's control.

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