

WESTGOLD RESOURCES LIMITED

[ASX: WGX]

HALF YEAR RESULTS

25 February 2022

Debbie Fullarton – Chief Executive Officer
Wayne Bramwell – Executive Director



COMPLIANCE STATEMENT

Exploration targets, exploration results the information in this report that relates to exploration targets and exploration results is compiled by Westgold technical employees and contractors under the supervision of Mr. Jake Russell B. Sc. (Hons), who is a member of the Australian Institute of Geoscientists. Mr Russell is a full time employee of the company, and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a competent person as defined in the 2012 edition of the Australasian code for reporting of exploration results, mineral resources and ore reserves. Mr Russell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Russell is eligible to participate in short and long term incentive plans of the company.

MINERAL RESOURCES ESTIMATES

The information in this report that relates to Mineral Resource Estimates is compiled by Westgold technical employees and contractors under the supervision of Mr. Jake Russell B.Sc. (Hons), who is a member of the Australian Institute of Geoscientists. Mr Russell is a full time employee of the company, and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Russell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Russell is eligible to participate in short and long term incentive plans of the company.

ORE RESERVE ESTIMATES

The information in this report that relates to Ore Reserve Estimates is based on information compiled by Mr. Anthony Buckingham B.Eng (Mining Engineering) MAusIMM. Mr. Buckingham has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Person as defined in the 2012 Editions of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012)”. Mr. Buckingham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr. Buckingham is a full time senior executive of the Company and is eligible to, and may participate in short-term and long-term incentive plans of the Company as disclosed in its annual reports and disclosure documents.

FORWARD LOOKING STATEMENTS

These materials prepared by Westgold Resources Limited (or “the Company”) include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances.

Westgold [ASX : WGX] – H1 FY22 Results



Established Australian producer – Tier 1 jurisdiction and a +35M oz gold province



Operational flexibility – 4Mt milling capacity and 2.2M oz reserve



Owner miners – cost effective and efficient underground and open pit miners



H1 FY22 – production increased to ≈133,000 oz with \$311M in revenue

FY22 / FY23 focus



- **FY22 production guidance** +270,000 oz @ AISC A\$1500-1700/oz
- **consistency in operational delivery** – grade, ounces and cost management
- **increasing free cash flow** – increased operating margin and return on investment
- **future proofing the business** – organic and inorganic growth



H1, FY22 - Key Metrics

- **Record gold production for Westgold** – 132,861 oz for H1
- **Revenue up 3%** – to \$311M
- **Cost of sales up 22%** – industry labour and cost pressures
- **Paid Maiden Cash Dividend** – \$6M returned to shareholders
- **Investing for medium and long term**
 - **Building surface ore stocks \$15M** – translates to medium term cashflows
 - **Building inventory \$5M** – insures critical spares and key consumables in medium term
 - **Financial assets \$3M** – provides longer term regional optionality over stranded gold assets



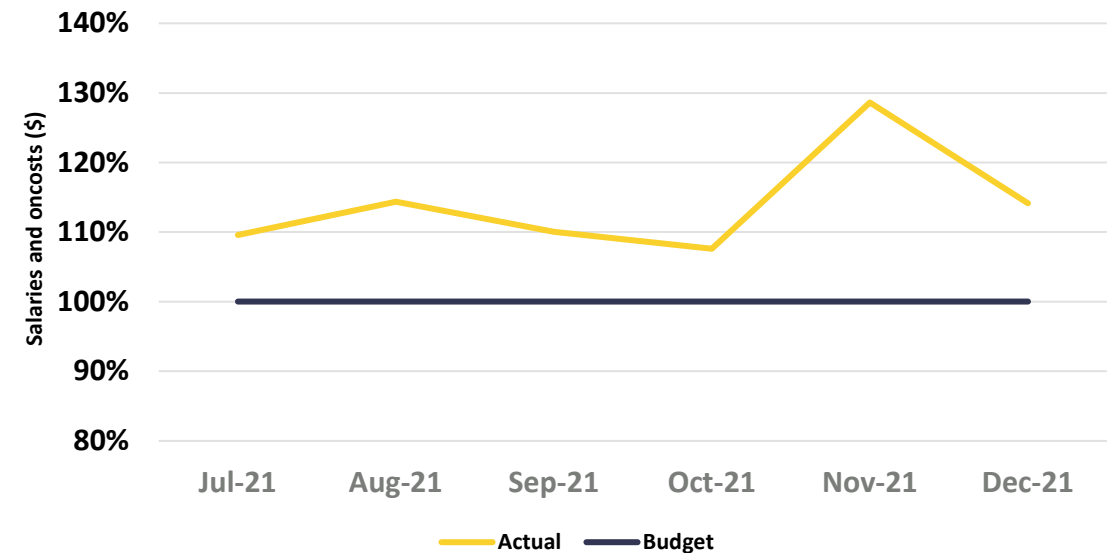
COVID-19 Cost Escalators



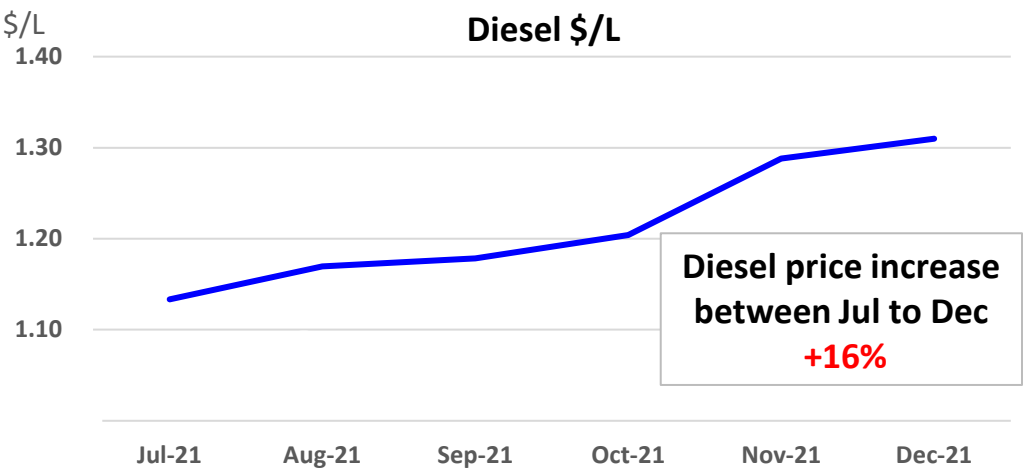
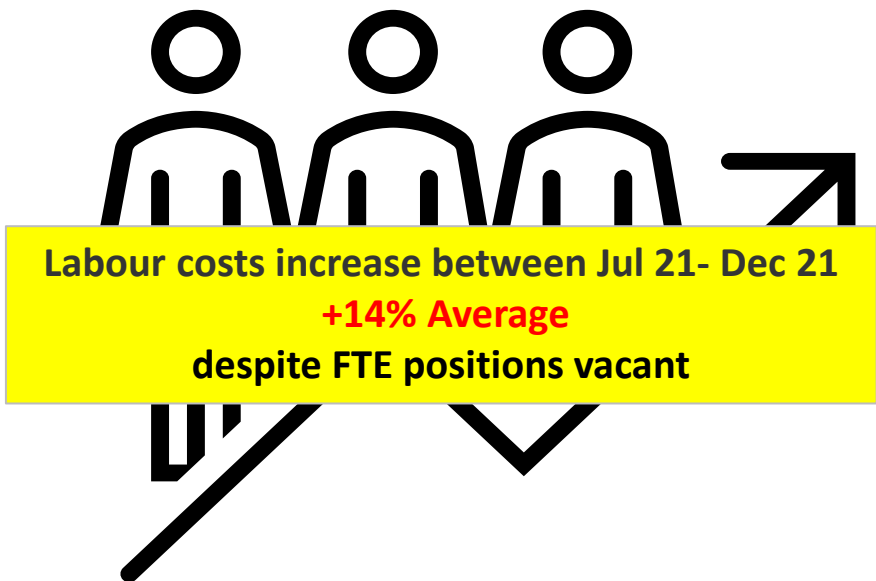
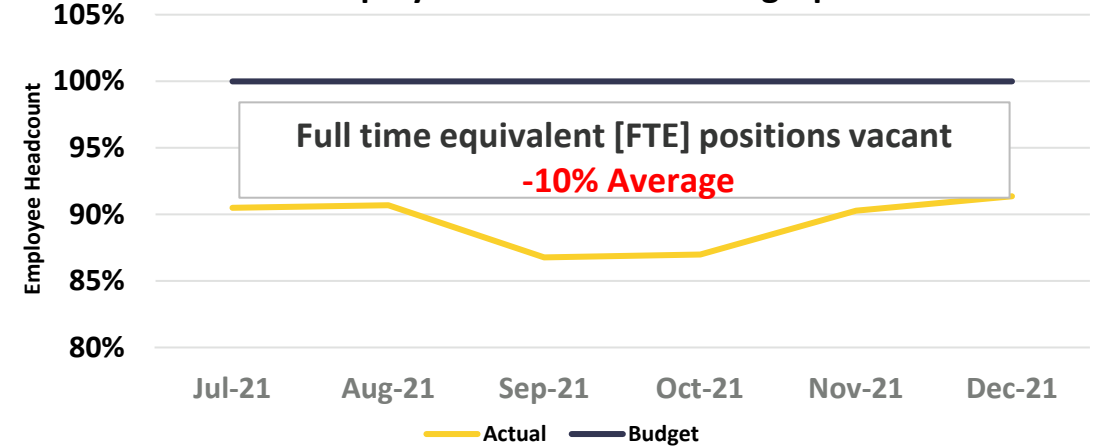
- Increased labour pressures – availability and mobility
- Increased labour costs – staff and contractors
- High administrative burden - vaccination mandates
- Supply chain disruptions – services and equipment
- Increased costs in fuel, spares and other consumables

COVID-19 Impacts and Response

Mining Operations Salaries and Oncosts



Employee Headcount - Mining Operations



Proactive Management

- **Building surface ore stocks** ≈1.3Mt held at Dec 21 [30% increase in volume] to mitigate disruption risks
- **Building inventory of critical spares and consumables** - invested \$5M additional at Dec 21 to mitigate supply risk
- **Capital reinvestment** - invested \$20M in fleet and infrastructure
- **Growing our own** - committed \$14M to exploration on WGX tenure
- **Growing our own** - established a training mine to train our people in a real environment without full-scale production pressures
- **The long game** - building strategic holdings in regional players with stranded mineral assets



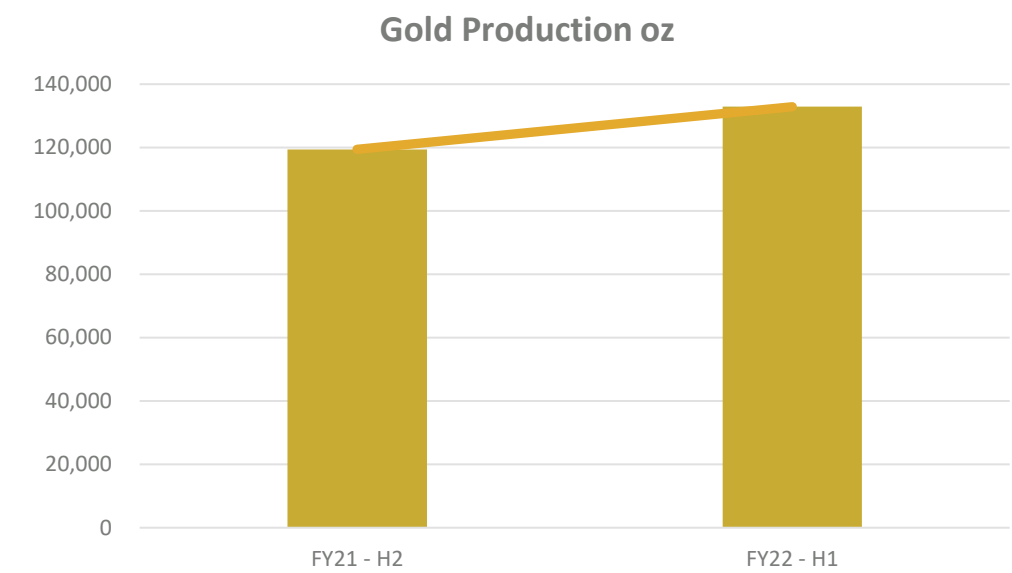
Analysis of H1 Results

Consolidated	Unit	HY ended Dec 21	HY ended Dec 20	Variance	
Revenue	\$M	311	302	9	3%
Cost of sales	\$M	279	229	50	22%
Profit after tax	\$M	20	48	(28)	-58%
Operating Activities (Cash inflow)	\$M	87	140	(53)	-38%
Investing Activities (Cash outflow)	\$M	115	108	7	6%
Financing Activities (Cash outflow)	\$M	23	7	16	228%
Cash costs	\$/oz	1,383	1,121	262	23%
All-in sustaining costs (AISC)	\$/oz	1,646	1,377	269	20%
Achieved gold price	\$/oz	2,358	2,410	(52)	-2%
Average spot gold price	\$/oz	2,450	2,628	(178)	-7%
Gold ounces produced	oz	132,861	126,010	6,851	5%
Consolidated		Dec 21	Jun 21	Variance	
Assets	\$M	919	900	19	2%
Liabilities	\$M	297	293	4	1%
Net Assets	\$M	622	607	15	2%
Cash and cash equivalents	\$M	100	150	(50)	-33%
Financial assets	\$M	9	6	3	47%
Net tangible assets per share	\$	1.46	1.43	0.03	2%

MAIN MOVEMENTS

	Revenue	Increased gold output 6,851oz (5%) – decreased achieved gold price \$52/oz (2%)
	Cost of sales	Increased major cost inputs (19%) + increased processed ore 50,944 tonnes (3%)
	AISC	Increased mined ore 308,165 tonnes (24%) + increased mining cost inputs – stock build (\$15M)
	Investing	Additional equipment (\$20M) + MP&D (\$82M) + exploration (\$10M) + financial assets (\$3M)
	Assets	Increased assets includes critical spares & key consumables (\$5M) + surface ore stocks (\$15M)
	Cash	Spend on inventory (\$20M) + financial investments (\$3M) + cash dividend (\$6M) + other (\$21M)

Year to Date Performance



FY22 Guidance		FYTD
Production Oz Au	+270,000	132,861
C1 A\$/oz	1,250 – 1,400	1,383
AISC A\$/oz	1,500 – 1,700	1,646
Achieved gold price		\$2,358 / oz

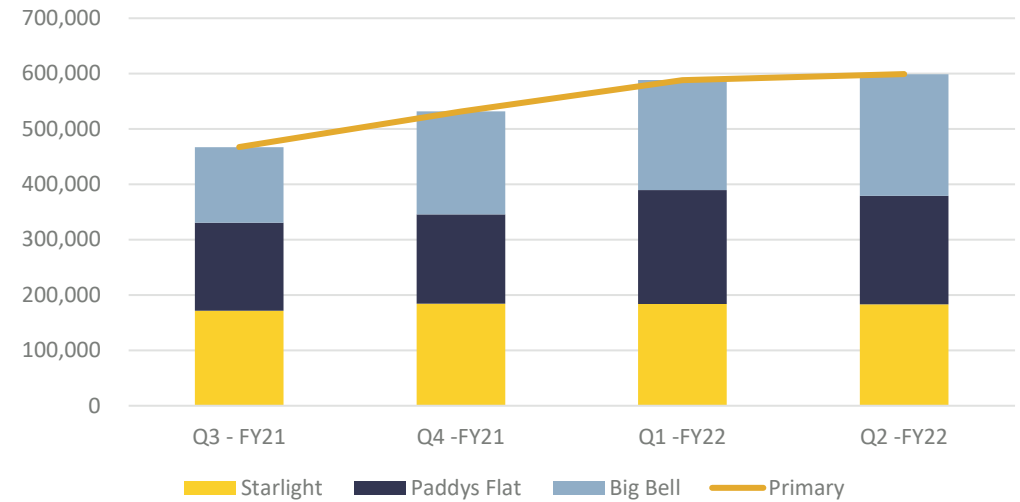




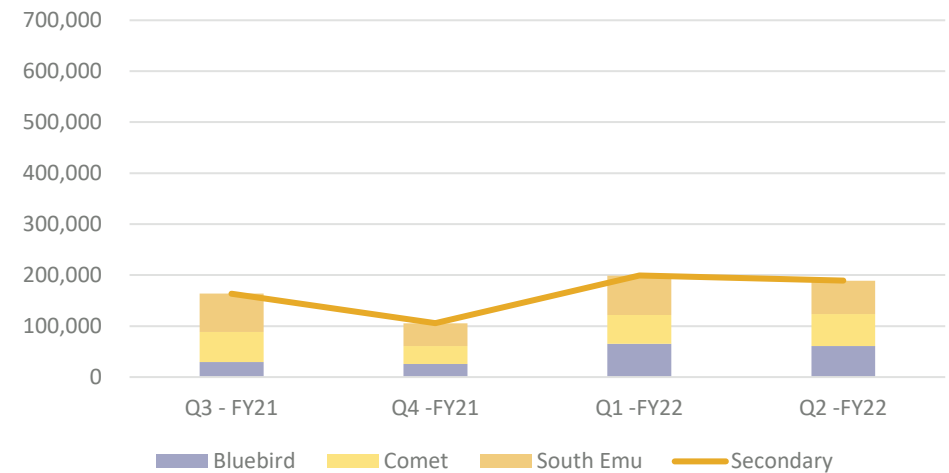
Production Stability



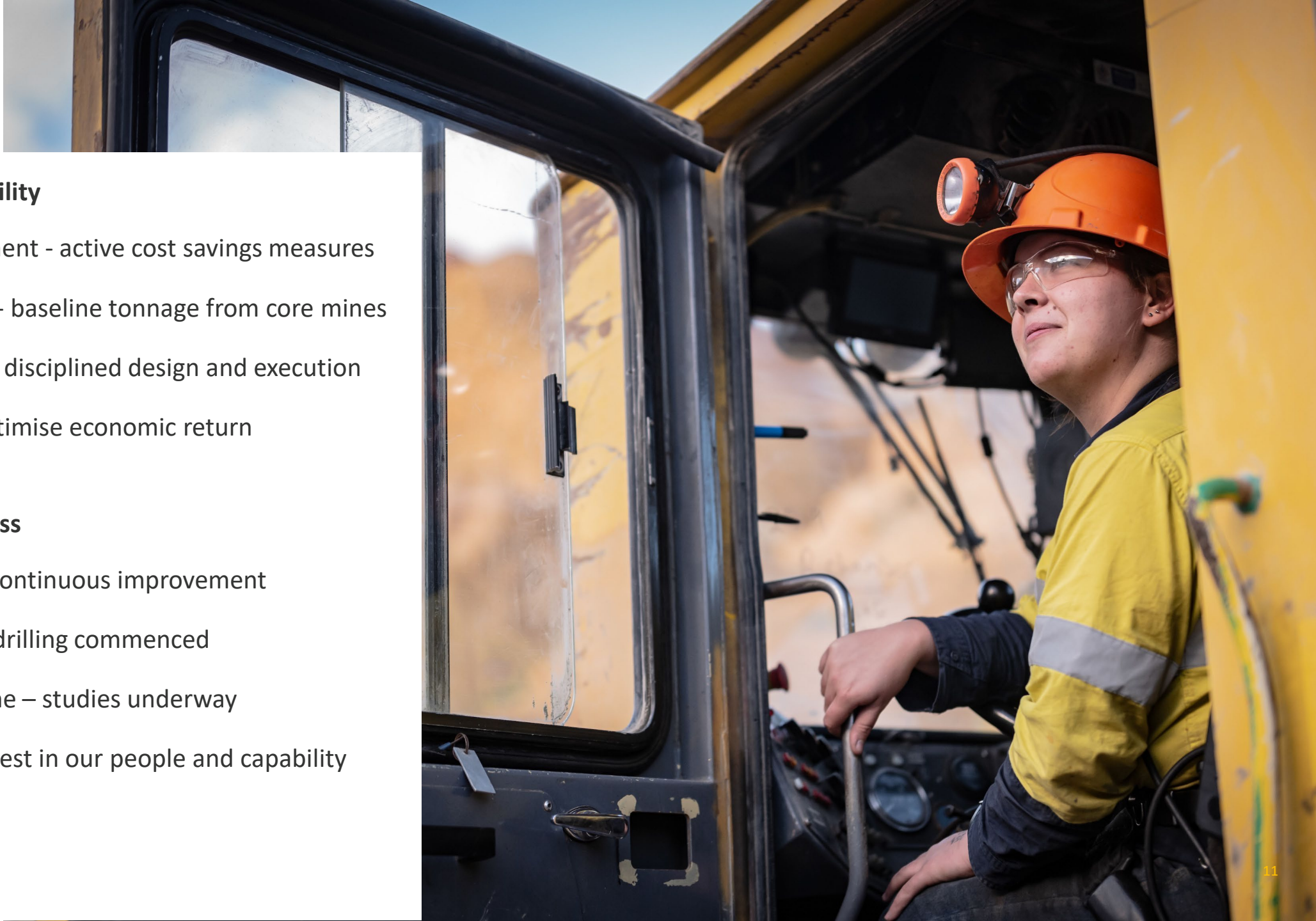
Tonnes Produced (Primary U/G Mines)



Tonnes Produced (Secondary U/G Mines)



H2 Outlook



Levers to Enhance Profitability

- Prudent cost management - active cost savings measures
- Consistent production - baseline tonnage from core mines
- Increase mined grade - disciplined design and execution
- Milling optionality - optimise economic return

Future proofing the business

- Improve efficiencies - continuous improvement
- Exploration - targeted drilling commenced
- Develop project pipeline – studies underway
- Enhance the team - invest in our people and capability
- Think bigger
- Deliver results

Need More Information?

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