



BIG BELL OPERATIONAL UPDATE

Westgold Resources Limited [ASX: **WGX** - “Westgold” or “the Company”] is pleased to provide this operational update on the progress of our Big Bell operation.

Big Bell production continues to rise

The Company’s Big Bell underground operation has continued its systematic ramp-up in output in the June quarter of financial year 2021 [FY21]. **Figure 1** below depicts Big Bell’s increase in quarterly output from approximately 110,000 tons in Q1 to approximately 185,000 tons (provisional) in Q4. As mine output in the first quarter of FY2022 is set to increase again, Westgold is confident that this trend will continue with Big Bell reaching its targeted output of +80,000 tonnes per month by calendar year end.

Westgold acknowledges that its ramp up has been slower than expected and was delayed by the incident at the mine which impacted output into Q3 of FY21. The critical driver to the ramp up is a strict sequencing protocol over multiple levels. This requires an intensive ground support regime to manage the active cave front and stress releases which, coupled with some legacy issues with the old cave, resulted in slower yet steady progress to date. Westgold is now through this difficult phase, has commissioned its new underground production fleet and begun optimising in-mine production processes to sustain the long-term higher production rate of the mine.

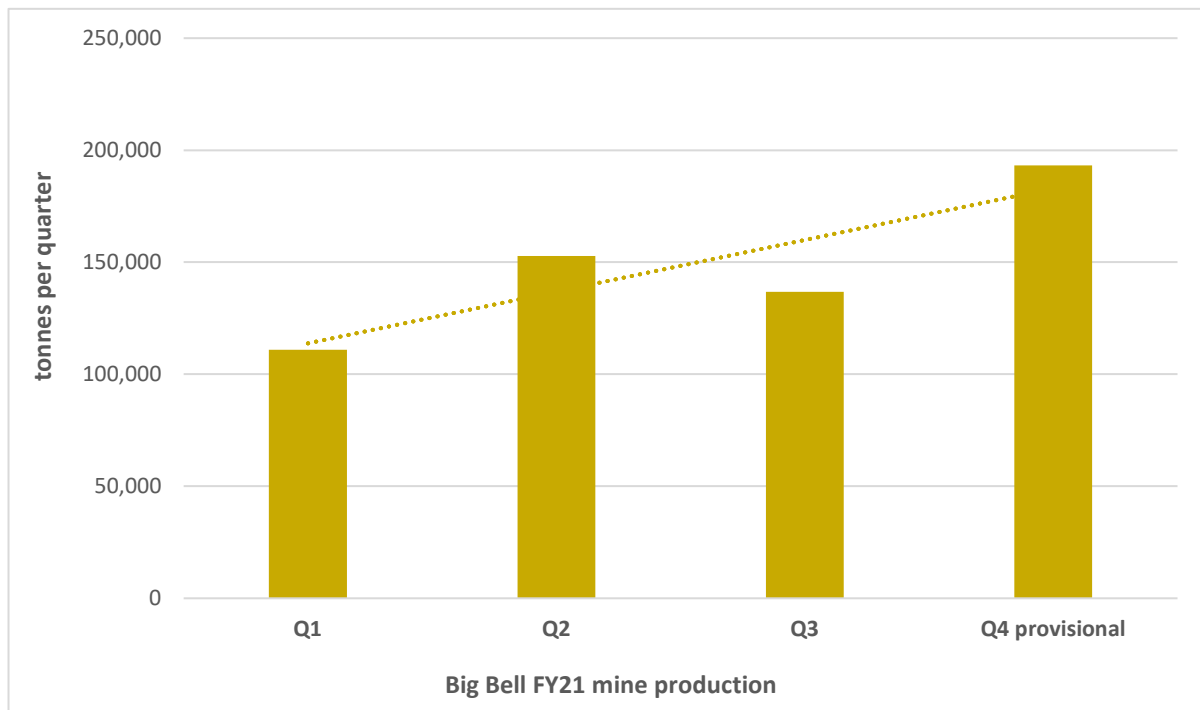


Figure 1
Big Bell FY2021 Quarterly Production – tonnes / month

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Westgold’s Cue Gold Assets – An Overview

Context is required to understand the scale of mineral endowment of Westgold’s broader Cue area assets [Figure 2], the Big Bell line of lode [Figure 3] and the size and significance of the Big Bell mine today [Figures 4 and 5]. Whilst Big Bell is Westgold’s largest single underground operation in the Murchison, it is just one of six underground operations that underpin the Company’s annual outputs and longer-term production profile.

Figure 2 depicts Westgold’s Cue assets extending across the Big Bell, Cuddingwarra, Day Dawn and Tuckabianna gold mining centres. It shows the Company’s Big Bell and Comet underground mines, the Chester group of open pit mines in the Cuddingwarra North Area and the Tuckabianna processing hub. It also shows the location of the historic Great Fingall and Golden Crown mines on the Day Dawn trend. These have been prolific high grade underground gold mines and present a further near-term production opportunities within Westgold’s project pipeline.

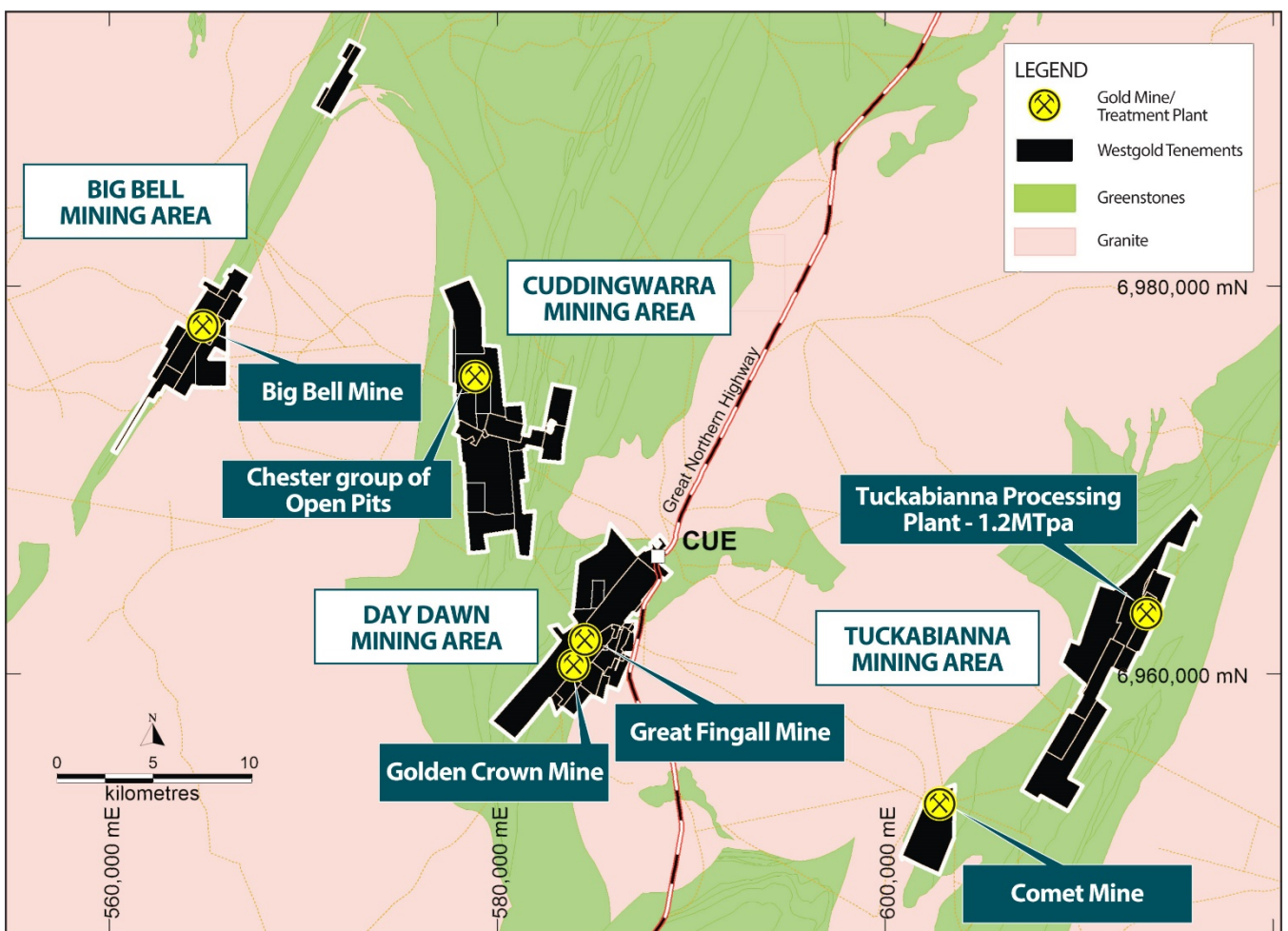


Figure 2
Westgold’s Cue Asset Package – June 2021



The Big Bell Line of Lode

Figure 3 depicts a longitudinal projection of ≈4.0km of the Big Bell line of lode. This line of lode has an enviable history having produced 2.8Moz of gold. Drill testing across this area is relatively shallow [<150-200m below surface] with other previously mined shallow open pits like Fender and the 1600 - Shocker demonstrating the potential for future underground mining.

The Big Bell mine is a beacon on this line of lode having already produced 2.5 million ounces in its own right and is the main mine which has had significant deeper drilling. Following the completion of open pit mining at Fender approximately 3.5km south of Big Bell deeper drilling and mining studies have concluded that a modest underground mine is likely adding yet another future growth option to the production pipeline.

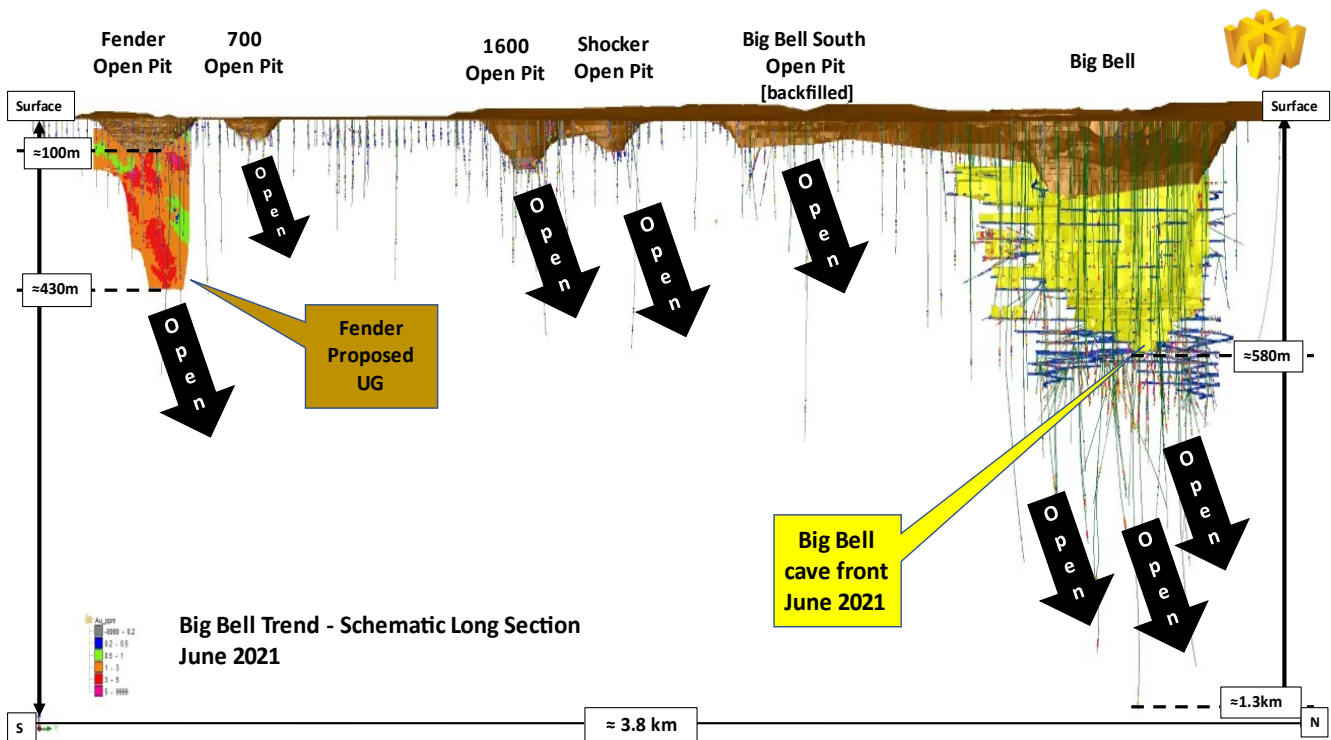


Figure 3
Big Bell Trend – Schematic Long Section of historic and active mines looking west

Westgold’s commitment to Big Bell

After operating intermittently from the 1920’s Big Bell finally succumbed to closure in 2003 when the sub- $\$500/\text{oz}$ caused the closure of the modern-day caving operation. The processing plant was auctioned and removed from site in 2003. Westgold initially acquired the assets through its subsidiary, Aragon Resources Ltd in 2010 and after various drill programs and technical studies decided to re-start the operations in 2016. The mammoth task of dewatering and refurbishing the flooded mine and recommencing production began in mid-2016. After approximately 18 months of convoluted dewatering and water discharge processes Westgold regained access to the underground mine, allowing rehabilitation to commence in preparation to re-establish gold production.

Westgold set itself ambitious schedules to dewater and refurbished Big Bell the mine, however realisation of these targets was hindered by the difficult, laborious and unpredictable tasks of dewatering, rehabilitation, level recovery around the old cave fronts and getting the cave active after sitting idle for the last 17 years. As it turned out these things have taken longer to achieve.

The changed mine and extraction plan to bring the mine to the most modern of geotechnical management techniques has also been a laborious process. A significantly enhanced ground control management plan including a substantially higher amount of dynamic ground support to get production areas established culminated in slower than anticipated progress and resulted in significant delays in the progression of the mine. This was exacerbated by the strict sequencing of activities and exclusion zones after blasting.

In March 2020 and after much preparation, the first material volume of 'new' ore production came following a mass firing over 3 levels in what was a critical event to establish continuous movement of material within the cave.

Since that time production has been ramping with ore production building. The mine achieved a major milestone in its last push to its planned production rate when it finally developed a 'chevron' cave front over multiple extraction levels. This puts the mine onto a consistent extraction sequence as is required in its long-term production plan.

Big Bell today

The scale of the rehabilitation works is difficult to comprehend when compared to the typical Australian underground mine which utilises a simpler uphole benching or long-hole open stoping process. The establishment of a sublevel cave operation such as Big Bell is significantly more capital intensive in the early stages but importantly develops substantially more tonnage before stoping commences. The advantage to this methodology is the notably lower direct operating cost and contrastingly higher extraction rate of the ore once stoping begins.

The capital investment at Big Bell to date is approaching \$200M, a considerable investment for a mid-cap Company that used self-generated cash flow, not debt, to fund this programme. As the mine moves forward, the capital intensity reduces, output increases and unit costs per ounce stabilise.

Big Bell has now cleared these recommissioning hurdles and its production output is continuing to build towards its expected steady-state rate of circa 1 million tonnes per annum. As such Big Bell is expected to establish itself as a consistent producer delivering +90,000oz of contained gold to the Company's processing plants per annum.

Figure 4 below depicts a schematic long section of Big Bell with the filled cave area (production to date) depicted in yellow, newly developed areas in blue, cave front location as of June 2021 and the historic deep drilling which returned **23.6m @ 3.45g/t Au from 1,354m** below surface including **16.2m @ 4.54 g/t Au** [drill hole BBD 032a].



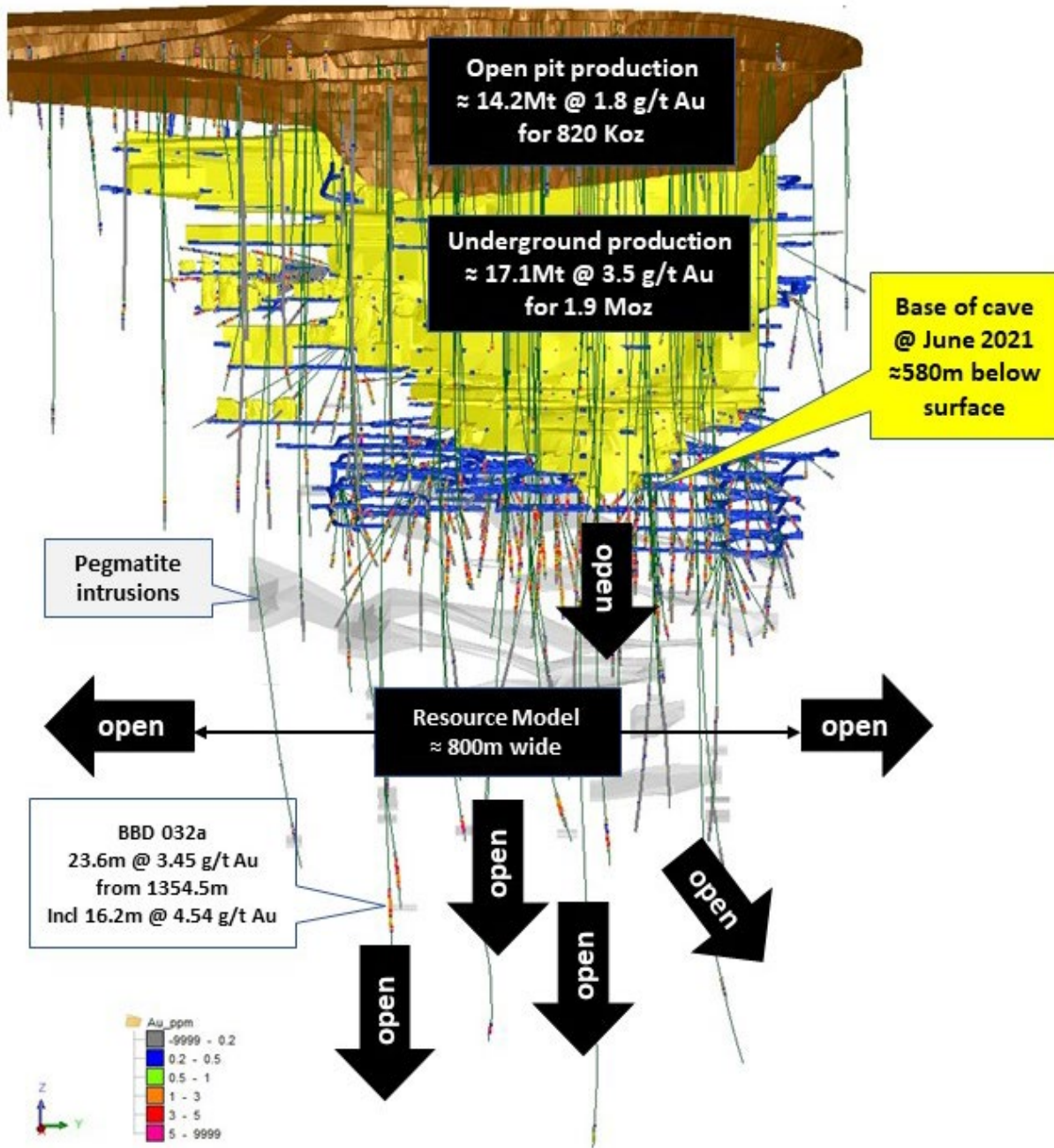


Figure 4 – Schematic Long section of Big Bell Mine June 2021

There is in excess of 10 draw points today which are operated in sequence and production grades are also now lifting as virgin ore increases to flow from the cave. As the percentage of remnant ore reduces and higher tonnages are drawn from these new levels, production grades will begin to reflect the overall reserve grade of 3g/t Au.



The second new level [Level 635 - **Figure 5**] is nearing completion with slot firing to occur in the next quarter, further enhancing the number of ore draw points and production flexibility within the mine.



Figure 5

Big Bell 635 level ore drive [with the intensive ground support system visible] – June 2021

Looking Forward

The opening of additional draw points and access to virgin ore horizons in the cave mark a step change in operating flexibility, predictability and production and begins the shift away from the unpredictability associated with concurrently managing rehabilitation, mining remnants and establishing virgin ore production in the mine.

Going forward Westgold will focus on optimising production and in-mine processes at Big Bell including:

- blast and exclusion zone management to ensure consistent and safe operation
- planning for the management of pegmatite intrusions expected to be encountered several years on in the mine
- the build-up of drilled, broken, stockpiled and normally developed mine stocks to ensure sustainable production; and
- equipment utilisation and the continued application of innovation and ingenuity to speed up mining processes and ensure worker safety.

With output and grade set to increase, Westgold is confident Big Bell will reach its targeted run-rate of +80,000 tonnes per month by year end.

THIS ANNOUNCEMENT IS AUTHORISED FOR RELEASE TO THE ASX BY LISA SMITH, COMPANY SECRETARY

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