



ASX Announcement
8 March 2018

Sale of South Kalgoorlie Operations

In a strategy to focus its efforts on its larger long-life Murchison gold assets, the Board of Westgold Resources Limited (**ASX:WGX**) (**Westgold**) advises it has agreed to sell its South Kalgoorlie Operations (**SKO**) to Northern Star Resources Limited (**Northern Star**).

SKO operates Jubilee Processing Plant as its mining hub. In recent years the HBJ Underground Mine has operated as the core feed with additional smaller open pit and low grade stockpile sources providing approximately 60% of plant capacity. The remainder of plant capacity has been filled by toll processing third party ores from the region.

Westgold has agreed to sell its wholly owned subsidiaries that collectively make up the SKO; Dioro Exploration Pty Ltd, HBJ Minerals Pty Ltd and Hampton Gold Mining Areas Ltd. The consideration for the sale is \$80 million (with working capital adjustments). The purchase consideration is made up of \$20 million in cash and \$60 million in unrestricted fully paid ordinary shares in Northern Star calculated at a backward-looking 10-day VWAP.

Westgold will retain its lithium royalties over the Mt Marion Lithium Mine and the rights to lithium exploration and mining over Location 53 and 59.

Westgold Managing Director Peter Cook said:

“This is a nice deal for both parties. It provides Northern Star with additional and instant plant capacity in the Kalgoorlie region for its expanding gold operations. For Westgold, it divests our shortest life asset, provides a cash boost and upgrades the overall quality of our gold portfolio. As at June 30, 2017 SKO had Ore Reserves containing 252,000 ounces which was 7.45% of the groups total Ore Reserves. SKO has produced 24,000 ounces in the first half of this financial year”.

Enquiries

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Mineral Resources & Ore Reserves

The information is extracted from the report entitled '2017 Annual Update of Mineral Resources & Ore Reserves' created on 4 September 2017 and is available to view on Westgold Resources Limited's website (www.westgold.com.au) and the ASX (www.asx.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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