

WESTGOLD RESOURCES LIMITED

ASX: WGX



SEPTEMBER QUARTERLY OVERVIEW

27 October 2022

Wayne Bramwell – Managing Director

Tommy Heng – Chief Financial Officer

Phillip Wilding – Chief Operating Officer

Matthew Pilbeam – General Manager EH&S

Disclaimer



COMPLIANCE STATEMENT

The information in this report that relates to Exploration Results is compiled by Westgold technical employees and contractors under the supervision of Mr. Simon Rigby B.Sc. (Hons), who is a member of the Australian Institute of Geoscientists. Mr Rigby 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 Rigby consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Rigby 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. Leigh Devlin, B.Eng MAusIMM. Mr. Devlin 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 Edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*. Mr. Devlin consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr. Devlin 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.

FY23 – Tracking to Guidance

OPERATION	GROUP	Q1
Production (koz)	240,000 -260,000	66,048
AISC (A\$/oz)	1,900-2,100	2,106
Growth Capital (A\$M) ¹	60	21
Exploration (A\$M) ²	20	7

1. Growth Capital includes underground, camp and other growth-related project, property, plant and equipment costs
2. Exploration includes expenditure associated with all Murchison and Bryah tenure and includes FY23 Great Fingall and Caustons drilling



“Westgold’s Q1, FY23 results reflect the commencement of the business reset. Critically, actions taken in late August saw our cost trajectory begin to change in September and we expect this turnaround to continue from Q2 onwards.”

We have now simplified the business with production now consolidated within 4 larger, well equipped and fully staffed mines. Optimisation of these key assets require better resource definition and in a Group first, we now have 10 drill rigs operating on surface and underground to better define and extend our orebodies.

With no debt, a robust treasury and a consolidated production base our team can now accelerate processes that enhance operational efficiencies, deliver cash flow and advance the next suite of growth assets during FY23.”

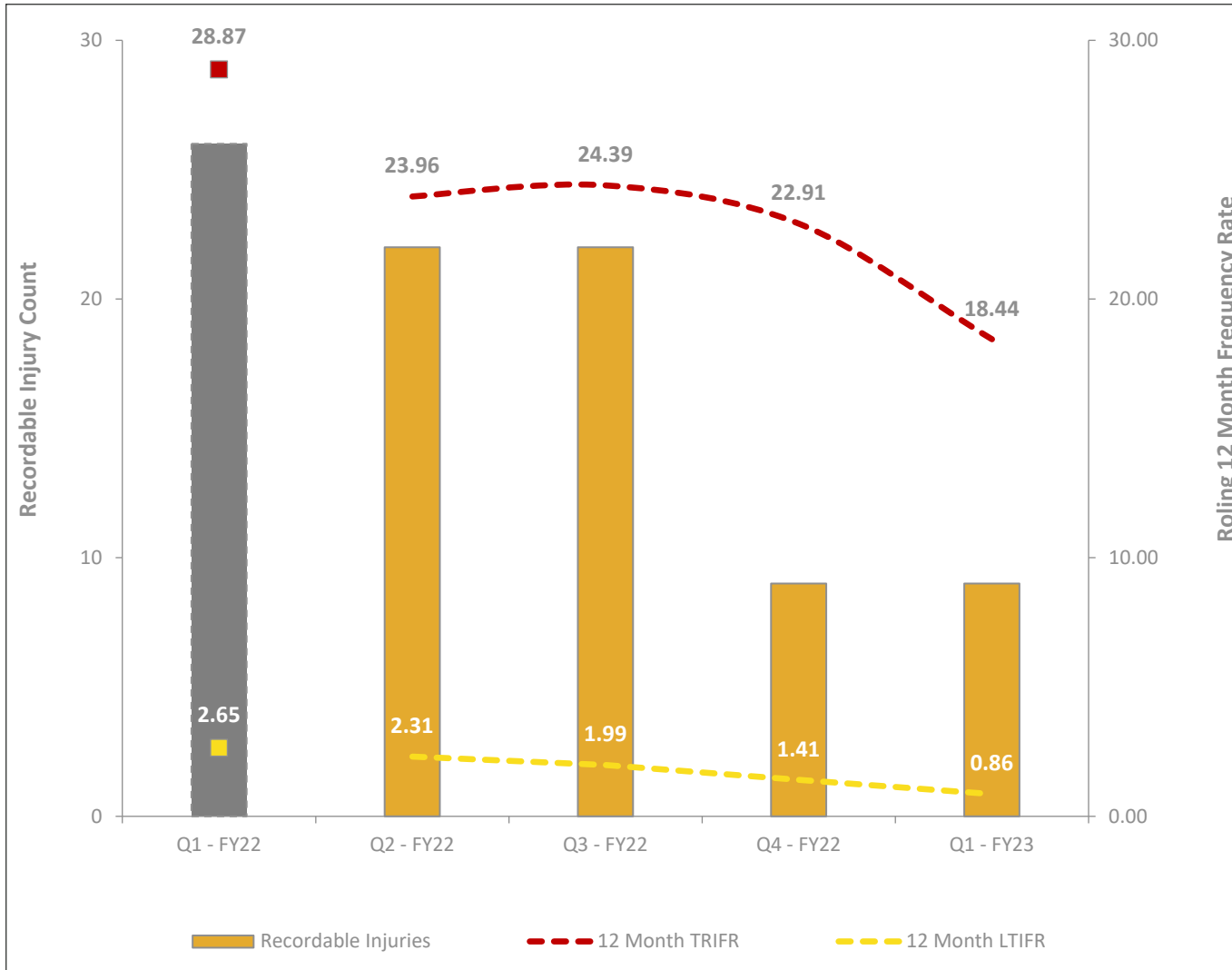
- Wayne Bramwell, Westgold Managing Director

Q1 FY23 Results – The Reset Begins

- **TRIFR improving**
- **66,048oz produced** - at an All-In Sustaining Cost (AISC) of **\$2,106/oz**
- **Positive mine operating cashflow of \$21M**
- **Production record at Big Bell - 274,444t at 2.5 g/t Au**
- **Stellar performance at Starlight - 197,187t at 2.7g/t Au**
- **Bluebird continues to expand - 90,588 at 3.2g/t Au**
- **Mining paused at three marginal operations during the quarter**
- **Resource development and exploration drilling accelerated** – 10 rigs operating, best intercepts to date include:
 - **3m @ 119.73g/t Au from 8m (NF1193GC25-Starlight)**
 - **15.77m @ 47.22g/t Au from 20m (22CNDD173- Consols)**
 - **6.6m @ 16.31g/t Au from 100m (22BLDD097A- Bluebird)**
- **Clean Energy Transition (CET) Project** – construction commences Q2 on first of 4 new gas fired power stations that will replace 6 diesel power stations
- **Hedge position reduced** - to 109,000 oz at quarter end
- **New Group haulage contract awarded** - to MLG Oz
- **Westgold remains debt free**
- **Closing cash and liquid assets of \$159M at quarter end**

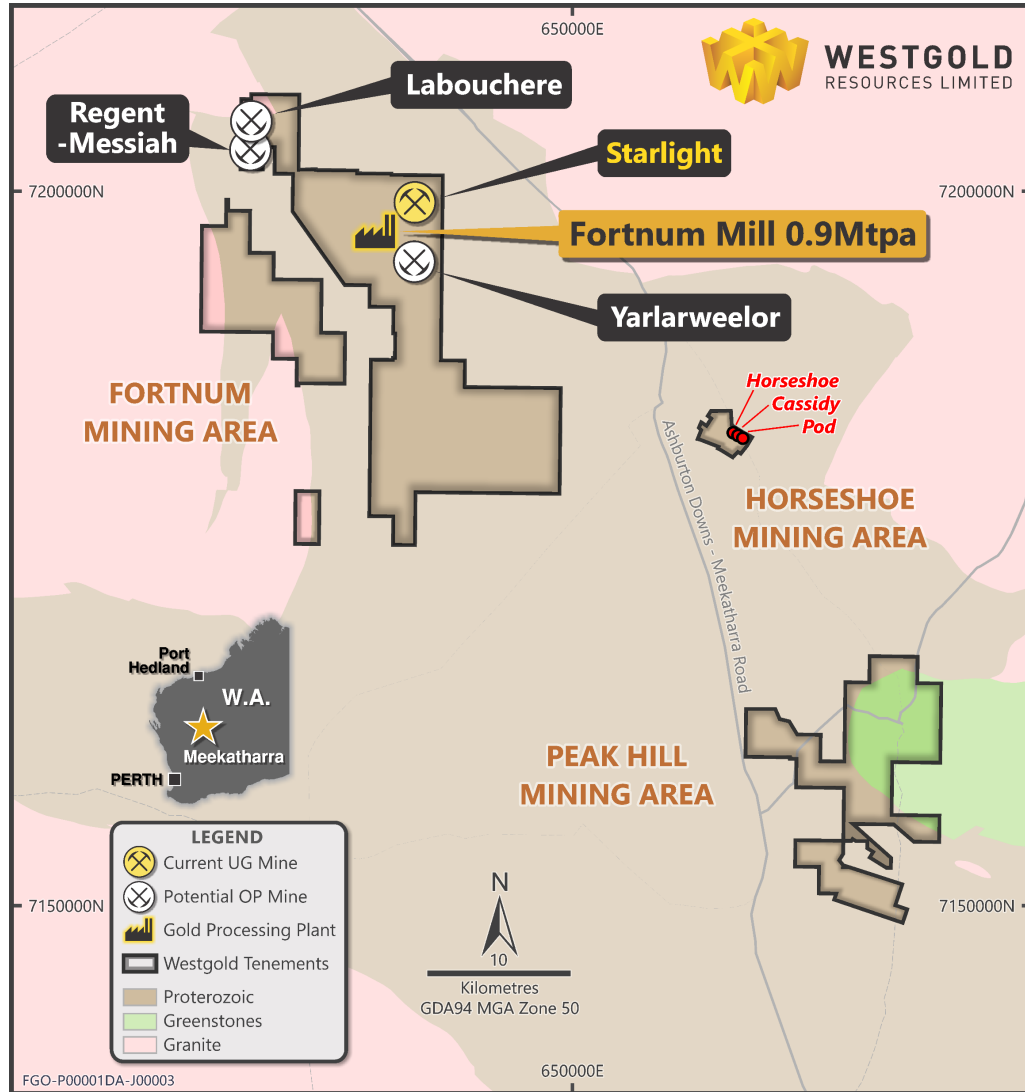


Q1 Safety and Environmental Performance

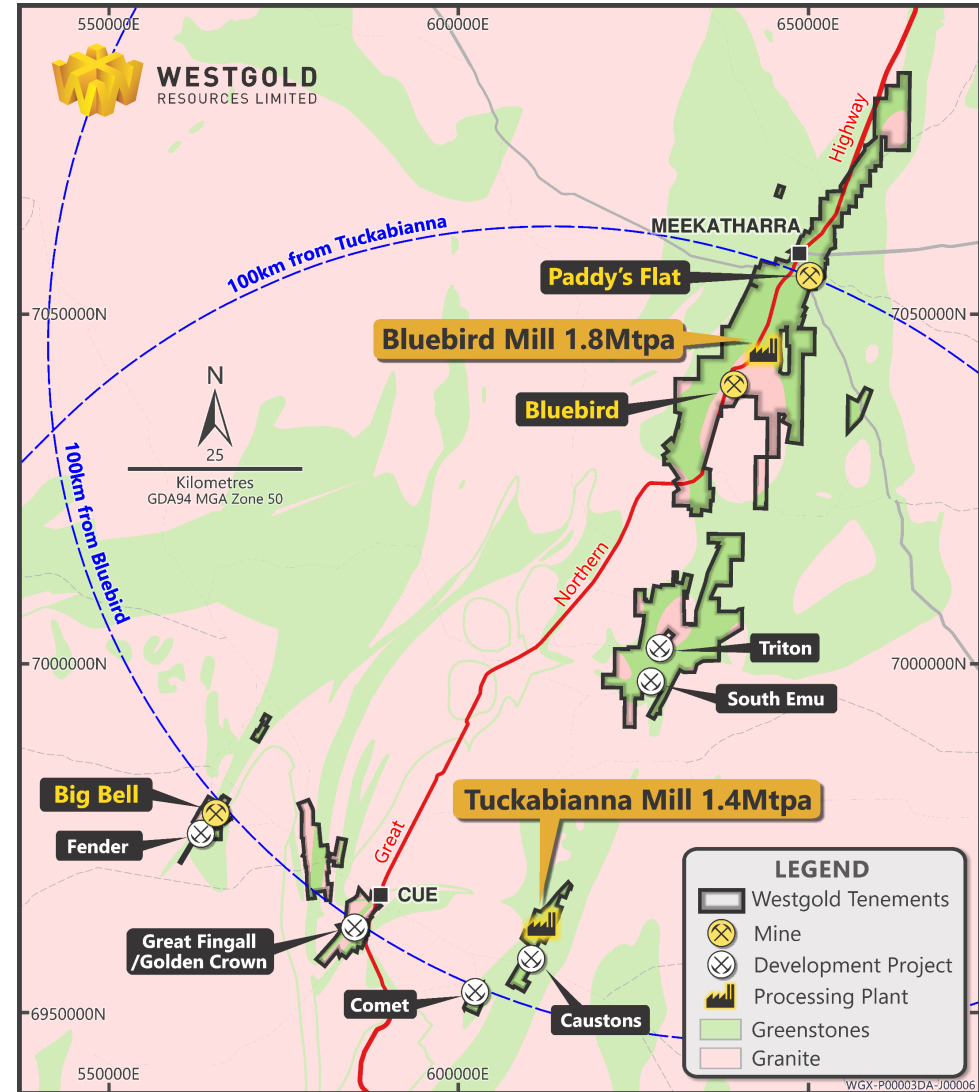


- **FY23 EH&S Strategy** implementation and execution underway – process reviews, ICAM focus, WHS Framework and internal audits.
- **19.5% decrease** in Total Recordable Injury Frequency Rate (TRIFR):
 - Q1 – 18.44, Q4 – 22.91
- **39.0% decrease** in Lost Time Injury Frequency Rate (LTIFR):
 - Q1 – 0.86, Q4 – 1.41
- **10.1% decrease** in High Potential Incident Frequency Rate (HiPoFR):
 - Q1 – 7.29, Q4 – 8.11
- **Significant Environmental Incident Frequency Rate (SEIFR) remained** at 0.00 for this quarter

Westgold – Bringing Western Australian Gold to the World

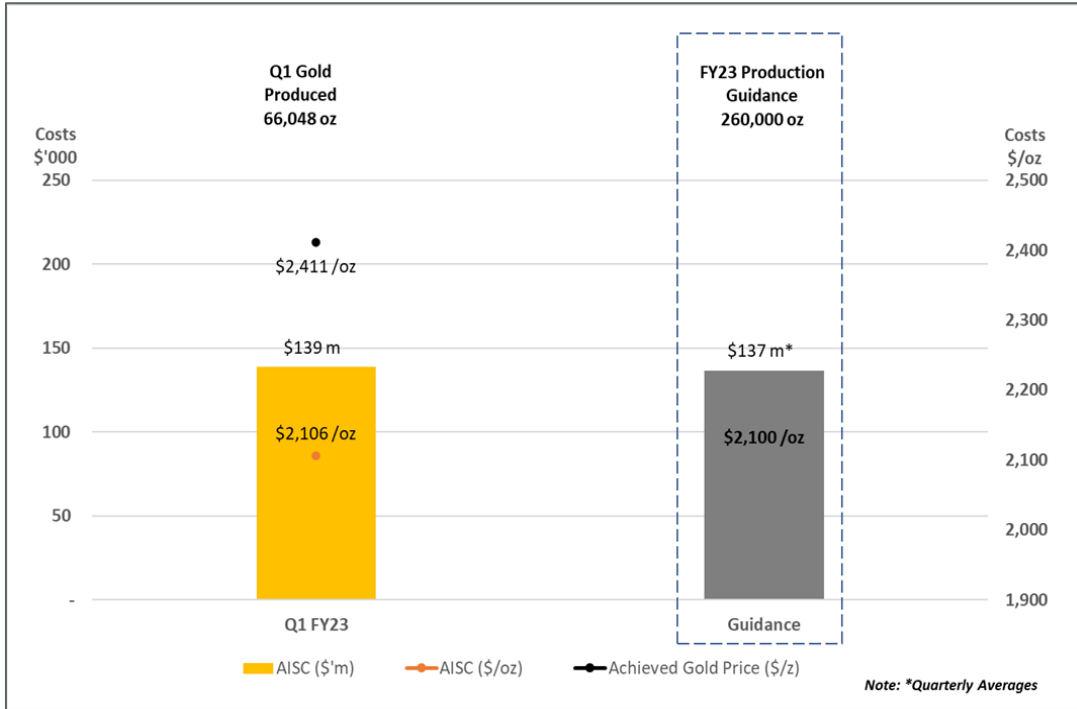


Bryah Operations

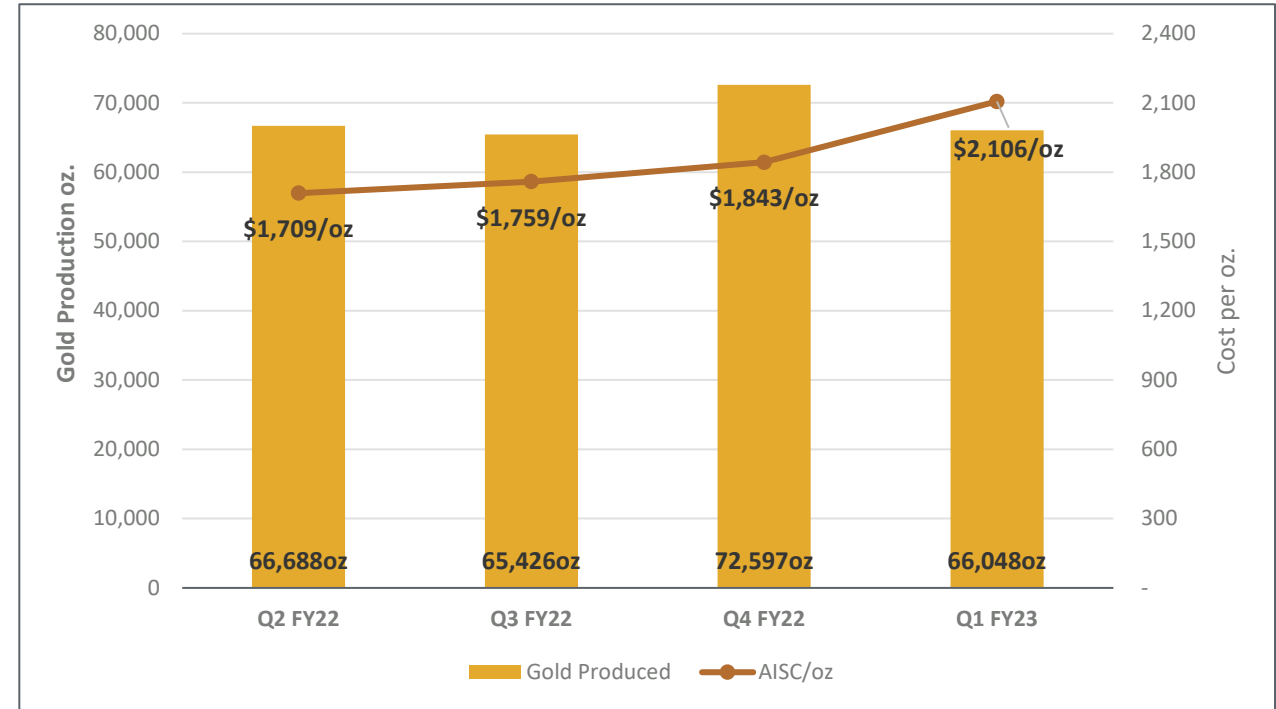


Murchison Operations

Quarter in Review



Production (oz), Achieved Gold Price & AISC (\$/oz)



Quarters Rolling Gold Production (oz) & AISC (\$/oz)

Q1 Key Metrics

- Westgold is tracking to its full year FY23 production and cost guidance:
 - Production for the quarter at **66,048oz**.
 - AISC for Q1 of **\$2,106/oz** reflects the continuing industry wide increase in diesel fuel price and other key consumables

- FY22 stockpile drawdown (monetisation)

- Capital expenditure stabilised at **\$21M** this quarter (Q4: \$24M) - key assets now at steady state with reductions expected in the coming quarters with the pause of Comet, Fender and South Emu Triton mines.

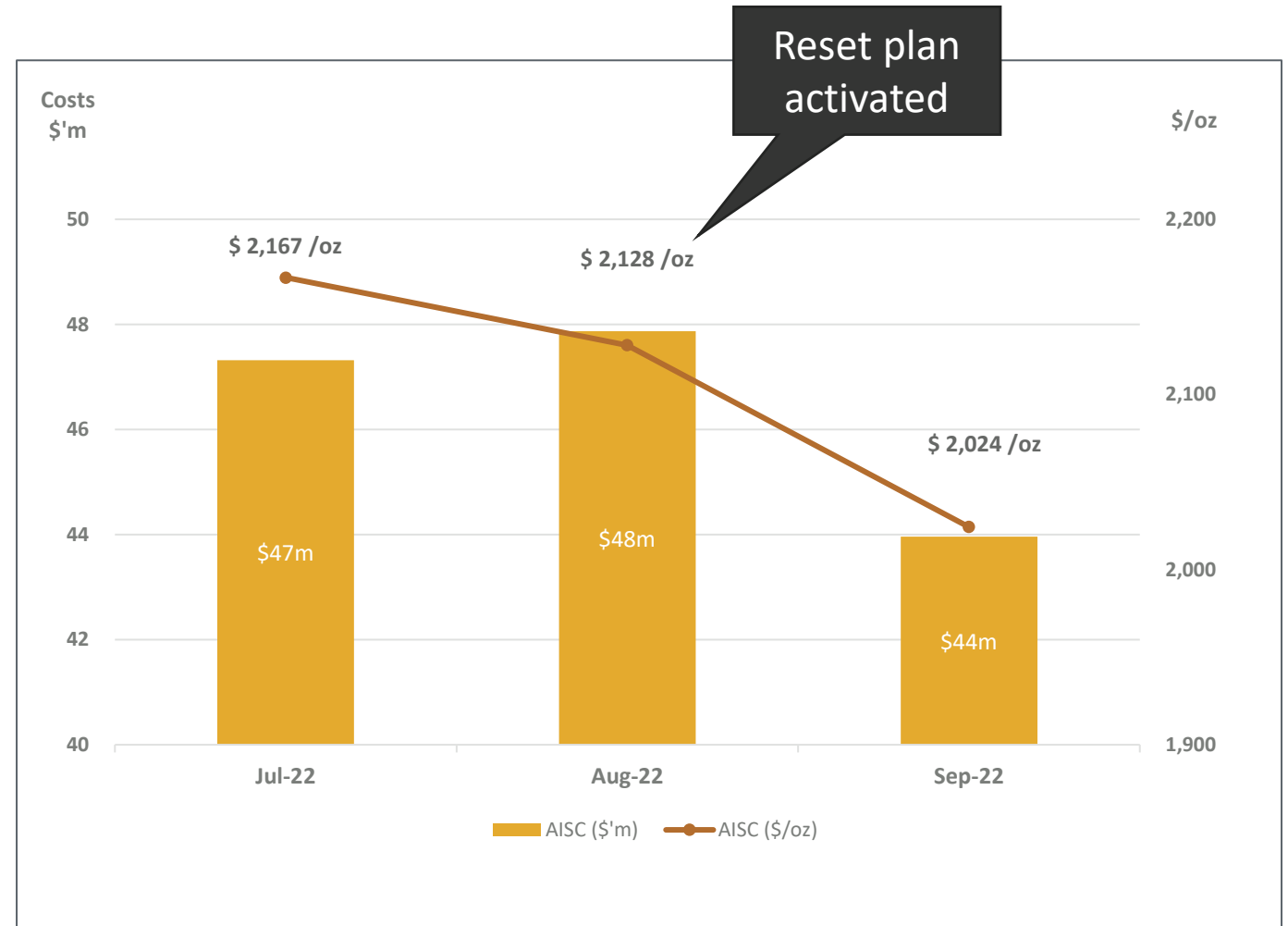
- Exploration investment increasing - compared to prior quarters at approximately **\$7M** (Q4: \$5M) with the commencement of key drilling programs

		MURCHISON SEP QTR FY23	BRYAH SEP QTR FY23	GROUP SEP QTR FY23	GROUP YTD FY23
Physical Summary					
	Units				
ROM - UG Ore Mined	t	583,562	197,187	780,750	780,750
UG Grade Mined	g/t	2.8	2.7	2.8	2.8
OP Ore Mined	t	-	-	-	-
OP Grade Mined	g/t	-	-	-	-
Ore Processed	t	702,466	203,206	905,672	905,672
Head Grade	g/t	2.5	2.5	2.5	2.5
Recovery	%	89	96	90	90
Gold Produced	oz	50,329	15,719	66,048	66,048
Gold Sold	oz	50,884	15,656	66,540	66,540
Achieved Gold Price	A\$/oz	2,411	2,416	2,411	2,411
Cost Summary					
Mining	A\$/oz	1,153	1,059	1,130	1,130
Processing	A\$/oz	480	484	481	481
Admin	A\$/oz	109	106	108	108
Stockpile Movements	A\$/oz	157	(179)	77	77
Royalties	A\$/oz	87	53	79	79
Cash Cost (produced oz)	A\$/oz	1,986	1,523	1,875	1,875
Corporate Costs	A\$/oz	27	39	30	30
Sustaining Capital	A\$/oz	222	134	201	201
All-in Sustaining Costs	A\$/oz	2,235	1,696	2,106	2,106
Notional Cashflow Summary					
Notional Revenue (produced oz)	A\$ m	121	38	159	159
All-in Sustaining Costs	A\$ m	(112)	(26)	(138)	(138)
Mine Operating Cashflow	A\$ m	9	12	21	21
Growth Capital	A\$ m	(14)	(2)	(16)	(16)
Plant & Equipment	A\$ m	(4)	(1)	(5)	(5)
Exploration Spend	A\$ m	(6)	(1)	(7)	(7)
Net Mine Cashflow	A\$ m	(15)	8	(7)	(7)

Q1 Key Metrics – continued

- **Reset plan for Westgold commenced in late Q1**
 - Expedited South Emu Triton mine closure
 - Comet mine put into care and maintenance late in the quarter, and
 - Fender put on pause but ready for a quick restart if required
 - Redeploy personnel into larger assets
 - Rationalise open pit and underground fleet
 - Review major supplier agreements

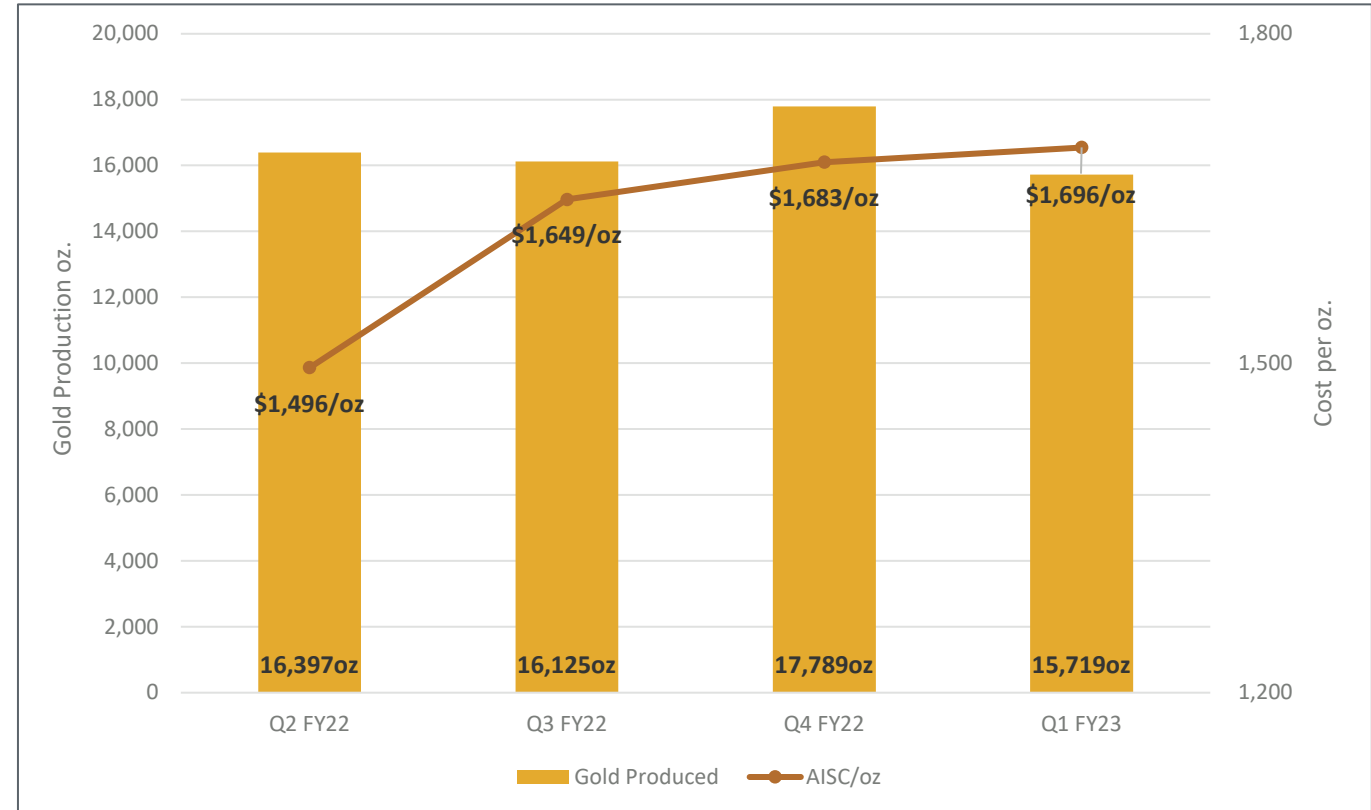
- **Benefits started to be seen in September**
 - and will become more apparent over Q2 onwards.



Westgold Monthly AISC (\$'m) & (\$/oz)

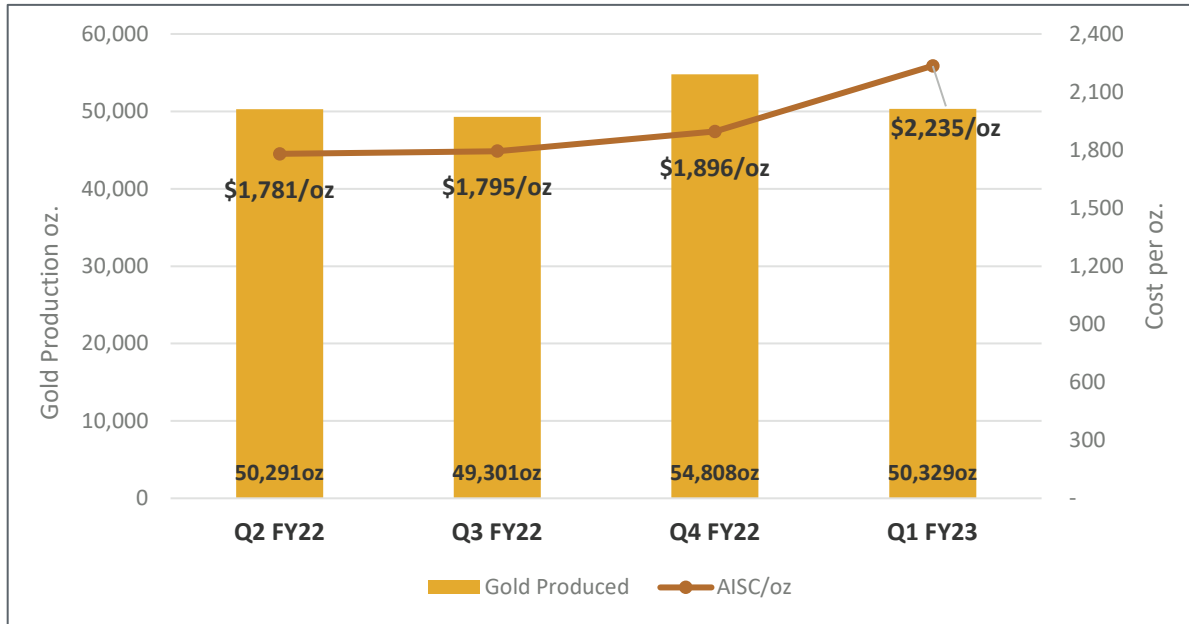
Operational Summary - Bryah

- **Stellar performance of the Starlight mine** - with 197kt at 2.7g/t Au for the quarter
- **Process plant throughput decreased from Q4** - due to planned mill shutdowns combined with weather events impacting haulage
- **Ongoing definition drilling of the Starlight lodes** - both for the FY23 production and increasingly for the long-term future of the mine.
- Better results returned from drilling activities at Nightfall
 - **3m at 119.73g/t Au** from 8m in NF1193GC25
 - **10.18m at 12.11g/t Au** from 108m in NF1205GC41
- **Work has progressed on the Fortnum open pit project**
 - with final assays received for a the recently completed surface drilling program at Horseshoe - Cassidy – Pod.



Bryah Operation	HG tonnes	grade	HG Ounces mined	Recovery	Ounces produced
Starlight Mine	197,187	2.7	17,117		
Fortnum Processing Hub	206,206	2.5	16,357	96%	15,719

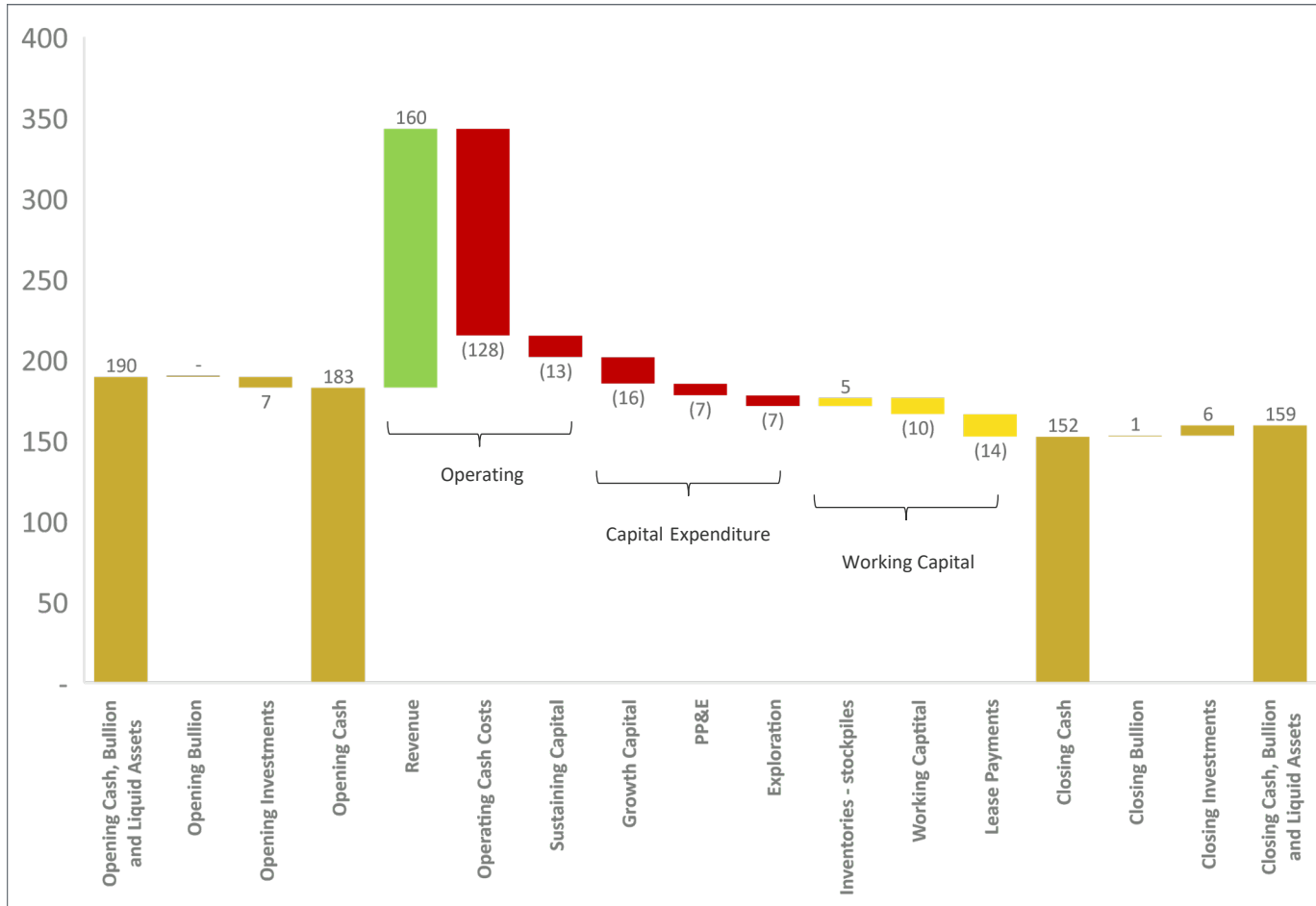
Operational Summary - Murchison



Murchison Operation	HG		HG		Ounces produced
	tonnes	grade	Ounces mined	Recovery	
Big Bell	274,444	2.5	22,059		
Comet	39,209	2.9	3,656		
Tuckabianna Processing Hub	336,357	2.5	26,976	89%	24,008
Paddy's Flat	166,491	3.0	16,058		
Bluebird	90,588	3.2	9,320		
South- Emu	12,832	2.4	990		
Bluebird Processing Hub	366,109	2.5	29,753	88%	26,321

- **Processed ore tonnage increased by 2% - to 702.4kt** compared to the previous quarter (Q4: 687.9kt)
- **Head grade was steady at 2.5g/t Au** (Q4: 2.8g/t Au) as more stockpiled open pit ore added into the blend
- **Key mines continue to operate at or above steady state**
 - **Big Bell** – producing 274.4kt at 2.5g/t Au for 22.3koz mined
 - **Bluebird** – producing 91kt at 3.2g/t Au for 9.3koz mined
- **Bluebird UG Expansion plan commenced - with acceleration of the decline to open more areas and drilling to better define further extension to the North and South**
- **Open pit mining ceased in Q4, FY22 - with final works completed on site closure during Q1.**
- **Drilling activities ramped up late in Q1 - within the 4 operating mines, with a total of 8 underground diamond drill rigs operating as part of the reset plan to assist in optimising and expanding.**

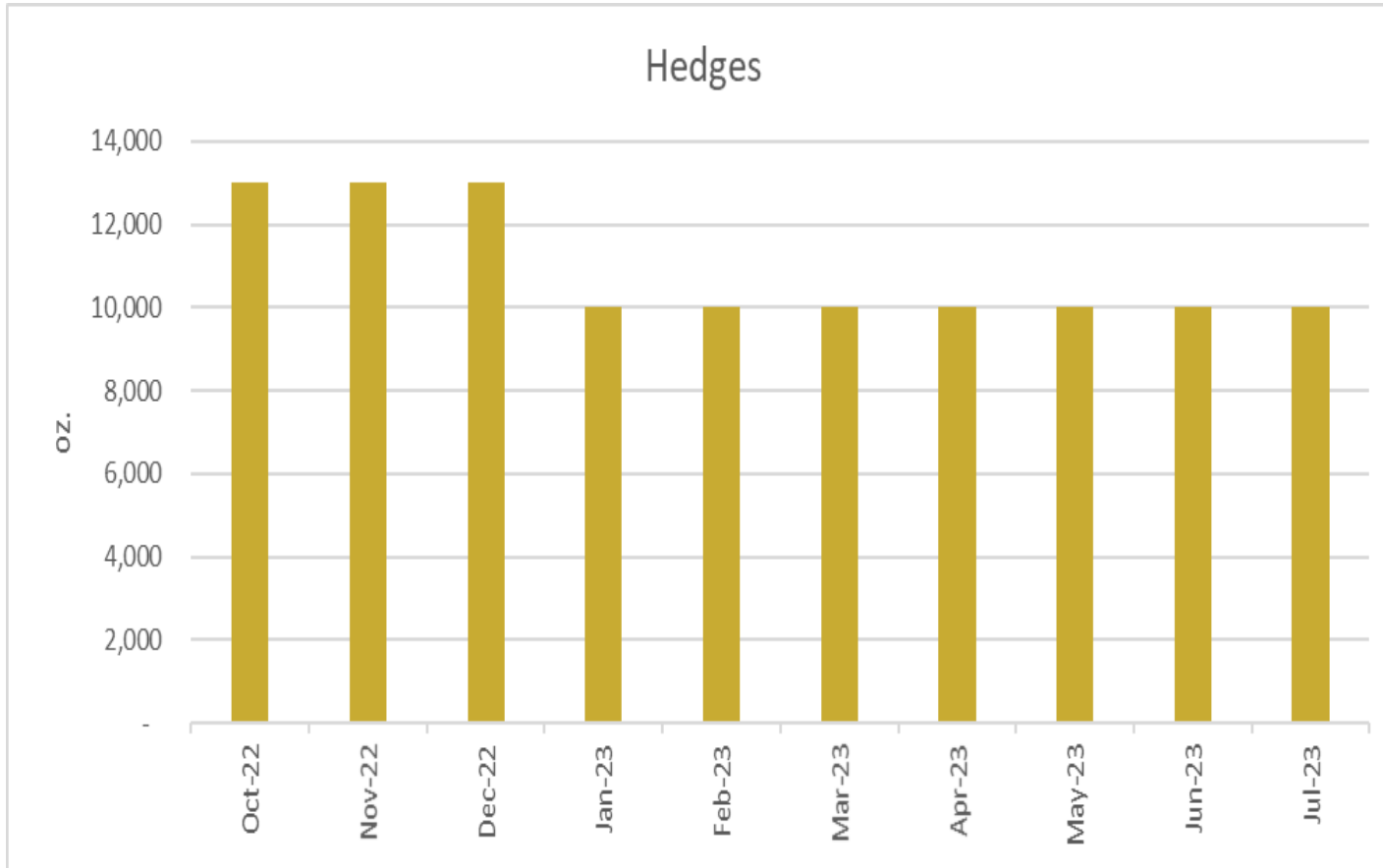
Q1 Cash Flow Movement



Cash and Bullion – Q1 September 2022

- Q1 gold sales of **66,540oz** resulting in revenue of **\$160M** at an achieved gold price of **\$2,411/oz**
- Continuing operating cost pressures **\$141M** (Q4: \$134M) on fuel price (13% increase QonQ) and key consumables - but at a slower rate than the previous quarter and settling towards the end of Q1
- **Capital expenditure stabilised** - as Big Bell and Bluebird are in steady state operations
- **Exploration investment lifts** - as the Group continues to work to expand known gold deposits and to discover new ones within its extensive tenement holdings.
- **Westgold remains debt free** - with closing cash, bullion and liquid assets of **\$159M** at quarter end
- **Growth funds being deployed** - \$6M drawdown for growth projects (early development of the Fender mine and drilling at the Causton's, Great Fingall and Sovereign targets. A tailings storage facility (TSF) lift was also commenced at the Fortnum processing hub)

Q1 Hedge Book – 109,000oz and tapering

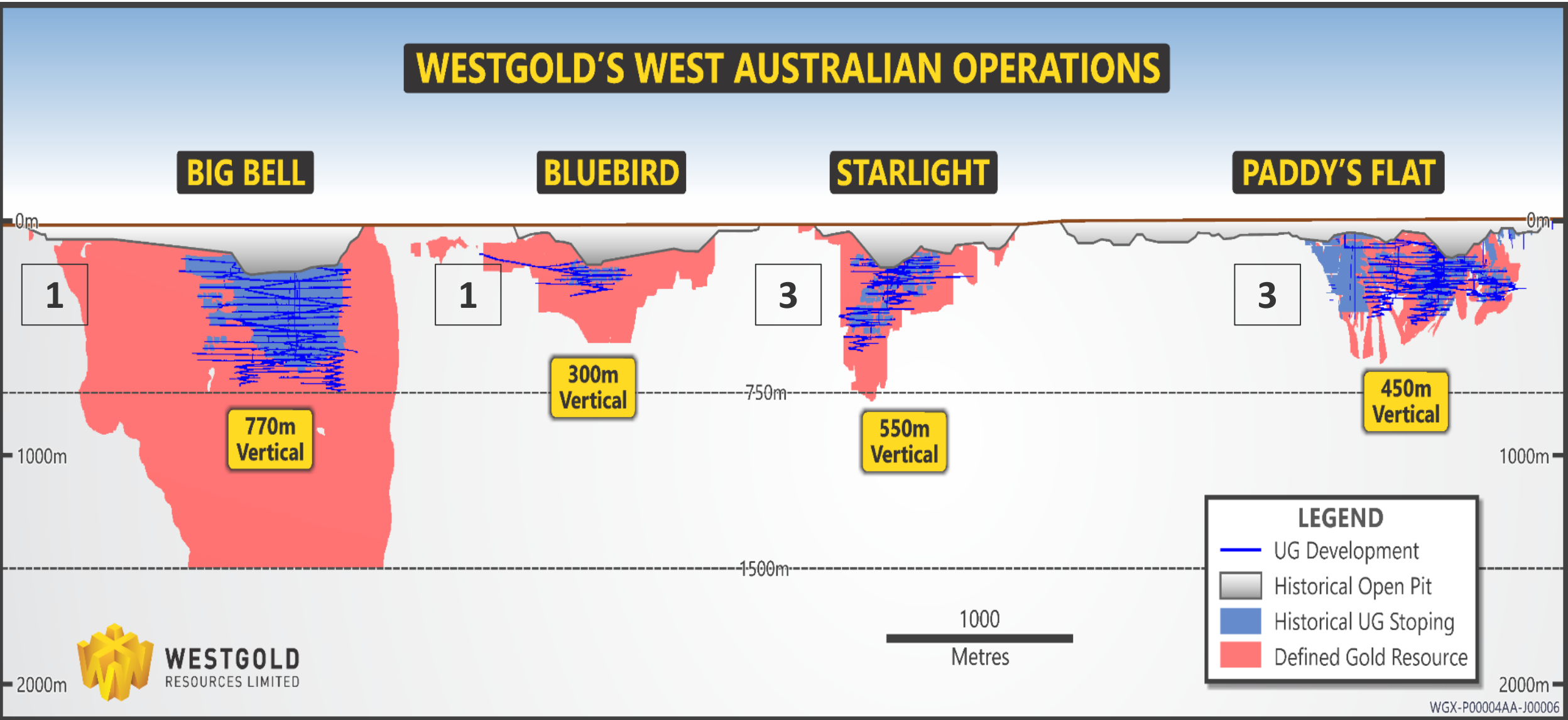


Hedge book reduced during Q1 to 109,000oz at an average \$2,419/oz

- Provides approximately 5 months production cover at 260,000oz pa run rate
- Mitigates any significant downward pressure on the gold price yet allowing headroom for upward movements in the gold price
- Hedging position reviewed monthly

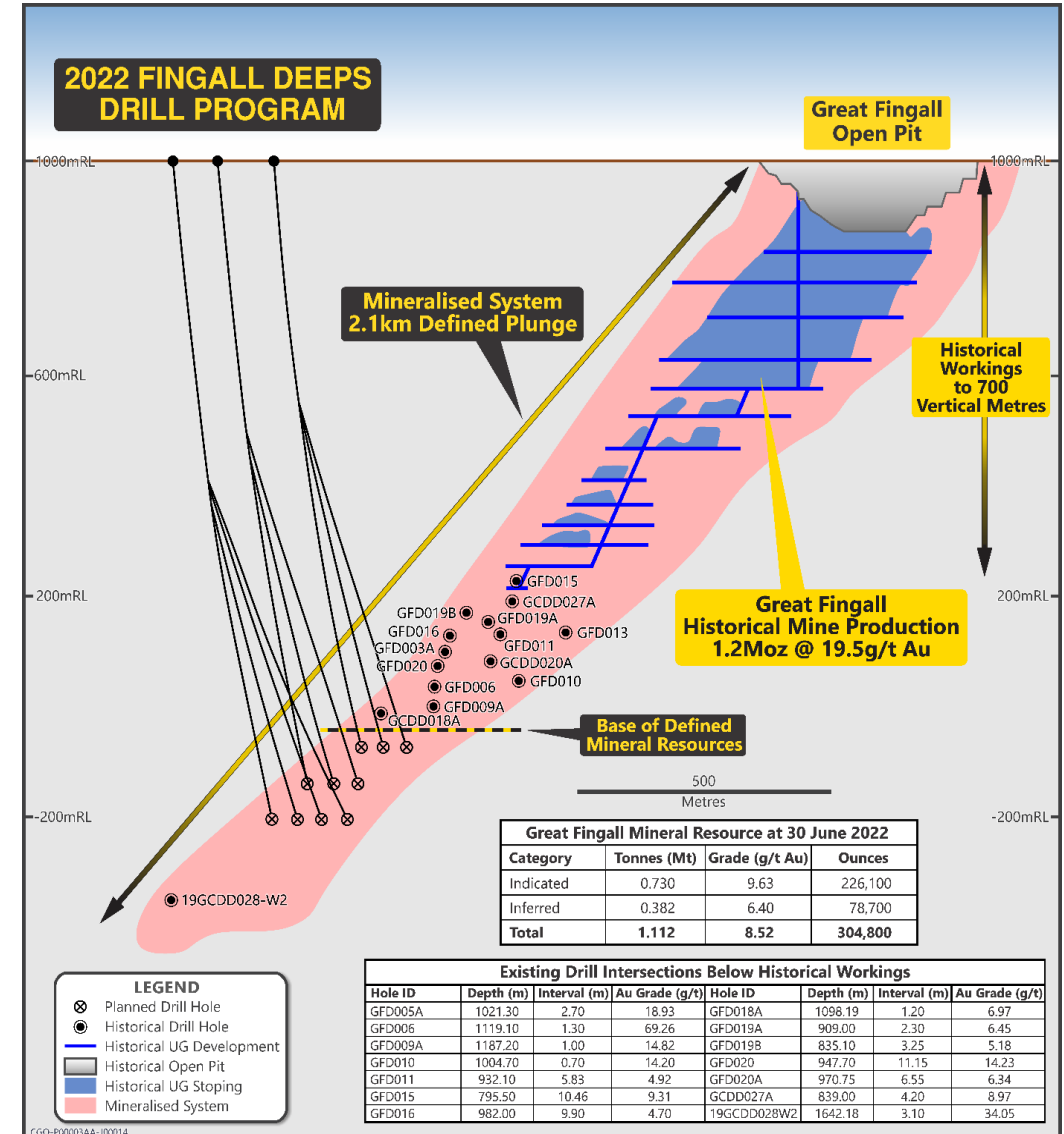
Investing in the Drill Bit – 8 Rigs on Res Dev and Extensional Drilling

WESTGOLD'S WEST AUSTRALIAN OPERATIONS



Investing in the Drill Bit – 2 Rigs on Exploration & Growth

- Exploration activities across the Company’s highly prospective ~1,300km² tenement portfolio continued during Q1 – 2 surface running
 - 1,310m of Aircore drilling (AC)
 - 4,475m of Reverse Circulation drilling (RC)
 - 1,515m of Diamond Drilling (DD)
- Fingall Deeps commenced post quarter end
 - The historic Great Fingall mine is one of the highest-grade gold deposits in WA - having produced 1.2Moz @ 19.5g/t Au between 1891 and 1918
 - Great Fingall currently has defined Mineral Resources of 1.11Mt @ 8.52g/t Au for 305Koz - representing the Company’s highest grade Mineral Resource. This resource remains open down-dip/plunge
 - Fingall Deeps drilling program comprises ≈10,000m of diamond core drilling - to test an additional ≈250m of down plunge mineralisation beneath the currently defined Mineral Resources between 1km and 1.2km below surface
 - Drill program underway – and will take ≈4 months to complete.



Q2, FY23 Outlook

Optimise and reduce the fixed cost base

- Operational efficiencies
 - Reduce diesel consumption
 - Rationalisation of surplus fleet
- Commercial opportunities
 - Review all major supply contracts
- Business Improvement Programme
 - Target productivity gains

Invest in the drill bit today

- 2 rigs – Reedys and Great Fingall Deeps
- 8 rigs – Bluebird, Paddy’s, Starlight and Big Bell

Invest in the future

- First of 4 gas fired power stations (#1 is at Tuckabianna)
- New CAT R2900XE diesel-electric loader



Need More Information?

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