



## ASX Announcement 7 December 2018

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### Placement and Conditional Sale of Lithium Royalties

Westgold Resources Limited (**ASX:WGX**) (**Westgold**) is pleased to advise that it has completed a share placement of 26 million fully paid ordinary shares at A\$0.90 per share to raise a gross of A\$23.4 million. The placement was made to professional and institutional investors. The placement was led by Canaccord Genuity Australia Pty Ltd and issued under the company's Listing Rule 7.1 capacity.

The placement replenishes the working capital applied by the company to the purchase and re-build of underground mining contractor, Australian Contract Mining Pty Ltd. The raising leaves Westgold adequately funded for its continued growth in gold output from its Murchison operations.

In addition, and keeping with Westgold's strategy to concentrate on its key gold assets, Westgold advises that it has entered into a conditional letter of intent to divest the non-core lithium royalties at Mt Marion and Buldania for a headline sale price of A\$15 million to SilverStream SEZC. The agreement allows for an exclusive 75-day period to complete due diligence and generate AMPLA style royalty documentation.

At the end of the exclusivity period, SilverStream SEZC will pay Westgold \$7.5 million in immediate cash. Westgold will receive two further tranches of \$3.75m in cash or shares (at SilverStream SEZC's election). The agreement contains a break fee arrangement.

Westgold had been planning a demerger of all its lithium assets, however, following receipt of this alternative proposal, Westgold decided that a sale of the lithium royalties was in the immediate best interests of its shareholders.

Westgold will retain its valuable lithium exploration and mining rights on the Hampton Locations 53 and 59 adjacent to the Mt Marion Lithium Mine. The sale of the lithium royalties is the first step in its Westgold's strategy to separate its remaining non-core assets.

#### Enquiries

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#### Summary Information

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#### Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Westgold's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Westgold, which could cause actual results to differ materially from such statements. Westgold makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

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