



WESTGOLD
RESOURCES LIMITED

FY22 FINANCIAL RESULTS AND FY23 GUIDANCE

26 August 2022

Wayne Bramwell – Managing Director

Tommy Heng – Chief Financial Officer

Phillip Wilding – Acting Chief Operating Officer

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. 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.

Leadership and Major Shareholders

Board

Ind. Non-Executive Chair	Hon. Cheryl Edwardes AM
Managing Director	Wayne Bramwell
Ind. Non-Executive Director	Julius Matthys
Ind. Non-Executive Director	Fiona Van Maanen
Ind. Non-Executive Director	Gary Davison

Management

Chief Financial Officer	Tommy Heng
A/Chief Operating Officer	Phillip Wilding
Company Secretary and Group Counsel	Lisa Smith
Joint Company Secretary	Susan Park

Major Shareholders¹

	%
Ruffer LLP	7.8
L1 Capital	6.9
Global Alpha Capital Mgmt	5.9
Invesco	5.9
Ninety One	5.0

Note: ¹As at 30 June 2022



Corporate Snapshot

Corporate Structure

Shares on Issue	473.6M
Options on Issue	2.3M
12 Month Trading Range	\$2.50 – \$1.08
Avg Liquidity / day	≈2.8M shares
Avg Turnover	≈\$3.5M
Cash, Bullion & Investments	\$190M
Hedge Position @ avg \$2,396	148,000oz
Institutional Investors	≈78%

Note: ¹Post 30 June 2022 audit adjustments



Gold Production & Guidance

FY22 Production	270,884oz @ AISC¹ \$1,692/oz
FY22 Guidance	270,000oz @ AISC \$1,500 – \$1,700/oz

FY22 Financial Highlights

Sales Revenue	\$647.6M
Achieved Gold Price	\$2,401/oz
EBITDA	\$209.2M
Impairment	(\$175M)
Net Profit before Tax and Impairment	\$15.4M
Net Profit after Tax	(\$111.1M)
Mine Cashflow (Achieved gold price minus AISC)	\$183M

FY22 – Production Highlights



Record full year production 270,884oz

↑ 10% on FY21



Achieved gold price lift \$2,401/oz

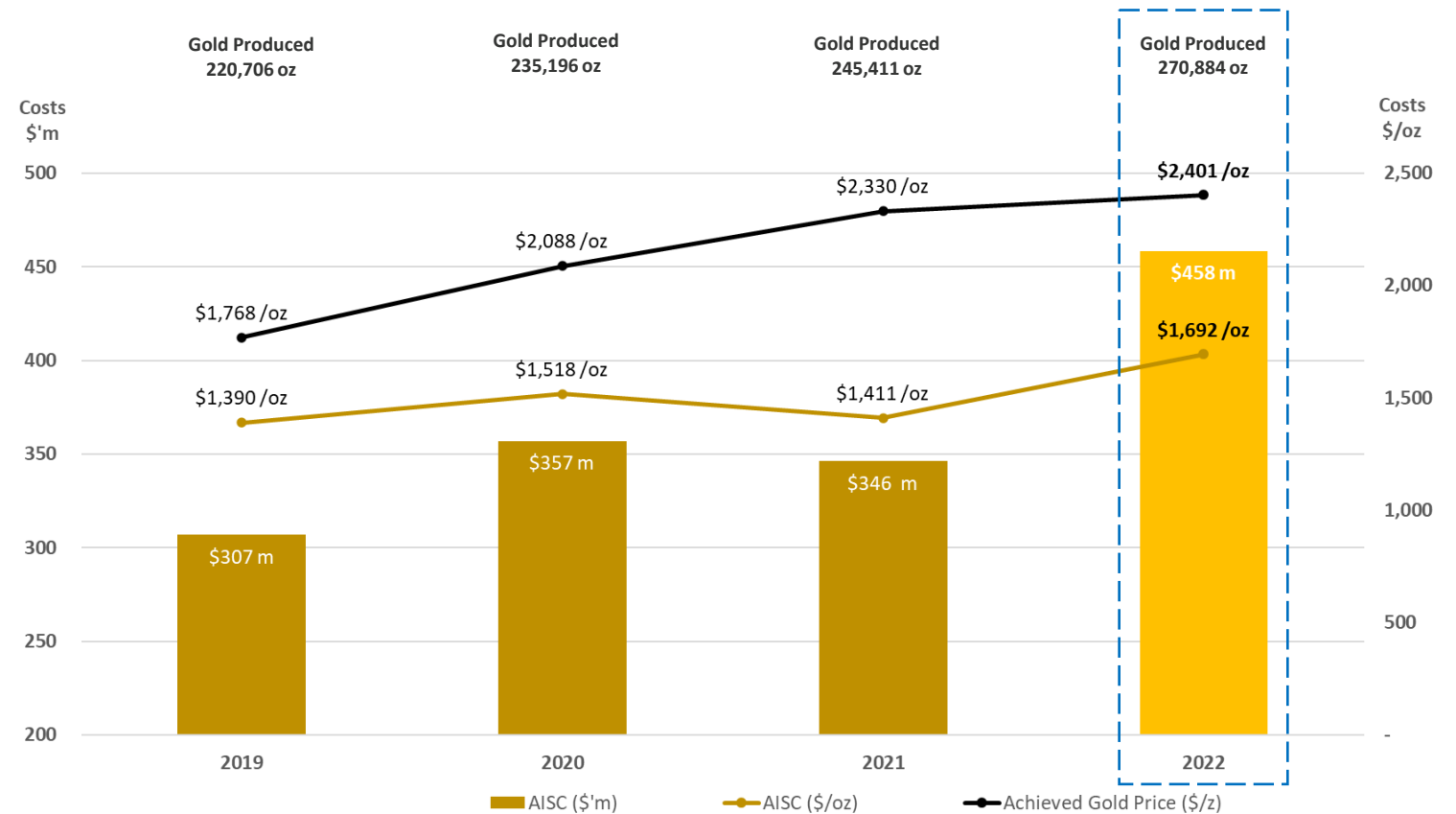
↑ 3% on FY21



Delivered guidance despite

- Covid – 19 disruptions
- Supply chain and inflationary cost pressures; and
- Labour costs and availability.

Production, Achieved Gold Price & AISC

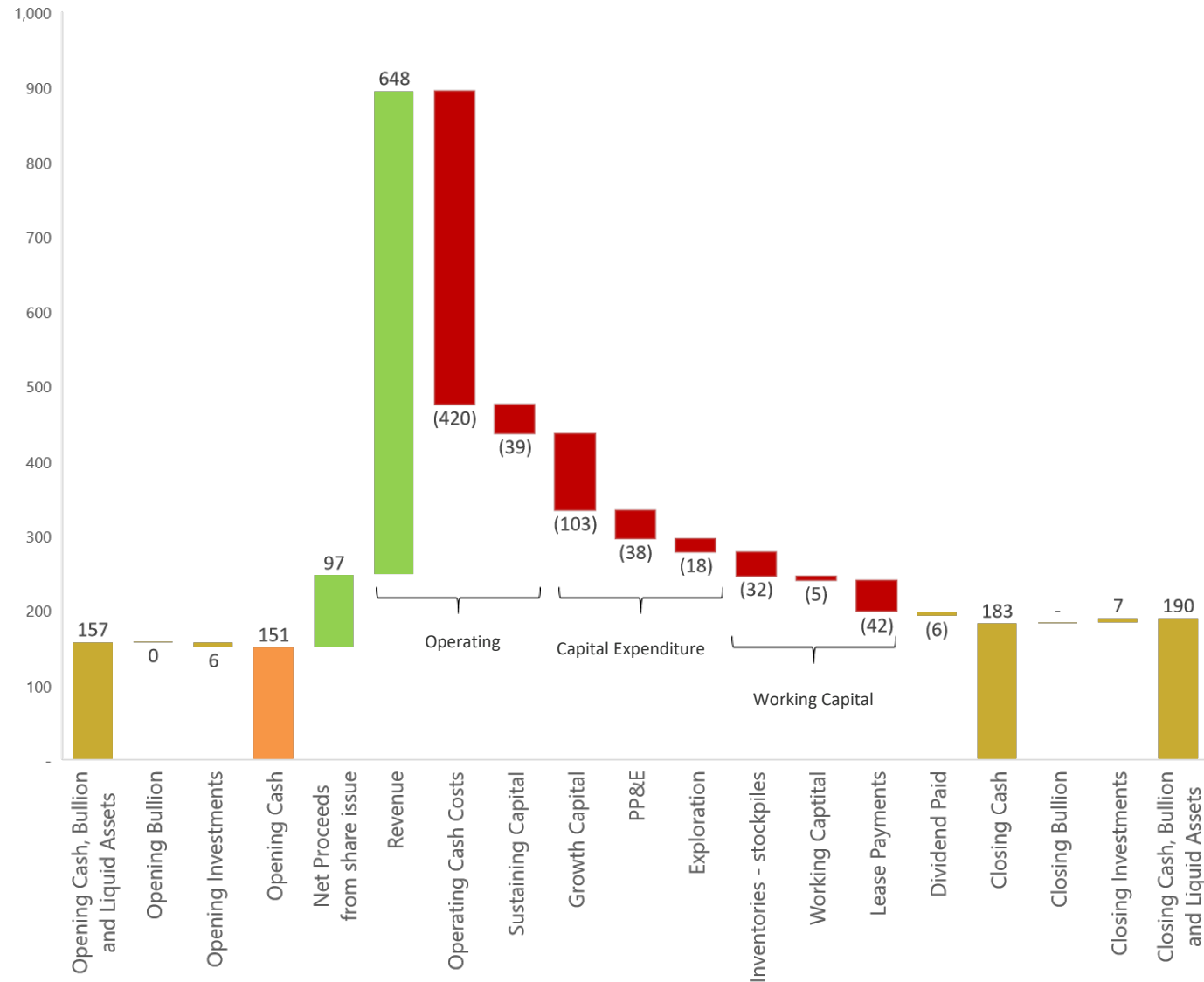


FY22 – Financial Metrics

Financial Metric	FY22	FY21	Change
Gold Produced (oz)	270,884	245,411	+ 10%
Revenue (\$M)	647.6	571.2	+ 13%
Cost of Sales (\$M)	620.3	455.5	+ 36%
EBITDA (\$M)	209.2	252.0	- 17%
Depreciation & Amortisation (\$M)	193.2	140.1	+ 38%
Net profit (loss) before tax and impairment (\$M)	15.4	111.9	- 86%
Net profit (loss) after tax (\$M)	(111.1)	76.8	- 245%
Net cashflow from operations (\$M)	179.9	249.1	- 28%
Closing cash and cash equivalents (\$M)	182.7	150.7	+ 21%
Net Assets (\$M)	587.8	607.4	- 8%
Earnings per share (cents per share)	(25.32)	18.16	- 239%
Unfranked cash dividends declared (cents per share)	Nil	2.0	-

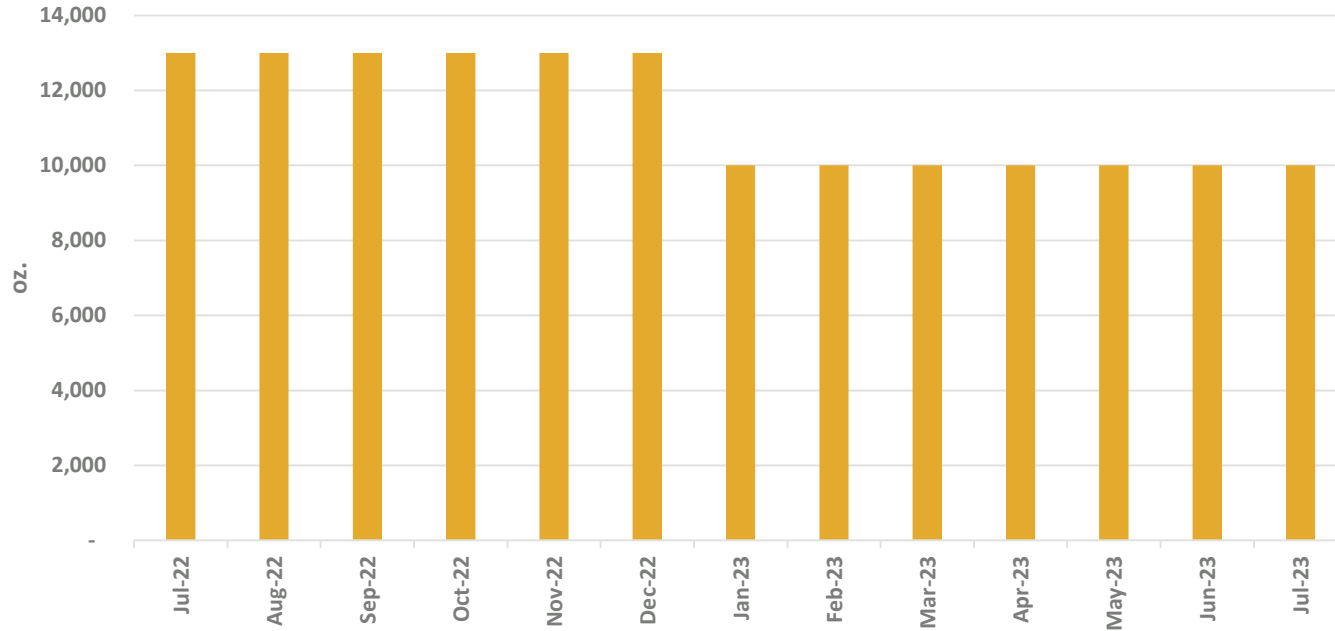
- Achieved gold price of \$2,401/oz
- Supply chain and inflationary cost pressures have impacted Costs of Sales:
 - Diesel fuel price increased **106%** with material changes in other major consumables such as reagents, grinding balls, ground support, flights, haulage services and freight
 - Labour shortages coupled with wage inflation
- Non-cash impairment charge of \$175M relating to the Big Bell, South Emu Triton, Starlight and Open Pits mines.
- Closing cash and cash equivalents of **\$183M**

FY22 - Cash Movements



- Record production resulting in revenue of \$648M at an achieved gold price of \$2,401/oz
- Growth funds - net proceeds of \$97M from the placement for growth projects completed during the year has not been drawn down.
- Operating cost pressures \$420M on fuel price and key consumables coupled with persistent labour cost inflation.
 - This is mitigated by ceasing owner-operator open pit mining in the Murchison region
- Key growth capital relates mainly to Big Bell, Bluebird and South Emu Triton underground mines.
- Exploration – Revitalised regional exploration and growth strategy accelerated during the year.
- Culmination of investment and build-up of open pit inventories stockpile during FY22 to supplement feed to processing hubs to be monetised over the next 12 months.
- FY21 dividend paid on 15 October 2021

Hedge Book at 30 June



Hedge book reduced to 148,000oz at an average \$2,396/oz

- Provides approximately ≈6 months production cover at 270,000oz 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



FY23 Production and Cost Guidance



Westgold Managing Director, Wayne Bramwell commented:

“Westgold has taken a conservative approach to FY23 guidance due to the uncertainties created by the current inflationary environment and ongoing supply chain constraints.

We are proactively simplifying our operating model with the key being to make our biggest mines bigger and more profitable, as cost inflation disproportionately impacts smaller scale operations. Big Bell, Bluebird and Starlight undergrounds have scale and are increasingly operating at, or above, design production levels. As such, the Group’s reliance on more cost sensitive, smaller tonnage operations are set to diminish, which will provide greater financial upside.

It is a testament to the inherent flexibility of our business that the cessation of open pit mining last quarter and planned operational pauses at the smaller Comet and Fender underground mines this quarter does not materially affect FY23 guidance. Our expenditure will drop as we monetise the large surface stockpiles that we have accumulated over the past year and the reset of our operating model provides the immediate opportunity to redeploy equipment and personnel into our larger, more profitable mines.

Until the cost landscape stabilises it is prudent to consolidate our production during FY23. Westgold is now structured to do this as we are debt free, and our balance sheet is strong. Critically our growth plans are well funded, and the team is focussed on building a stronger platform from which to achieve long-term growth.”

FY23 Metric	GROUP
Production (oz)	240,000 -260,000
AISC (\$/oz)	1,900-2,100
Growth Capital¹ (\$M)	60
Exploration² (\$M)	20

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



Need More Information?

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