

## Westgold buys S2 Resources' Polar Bear Projects

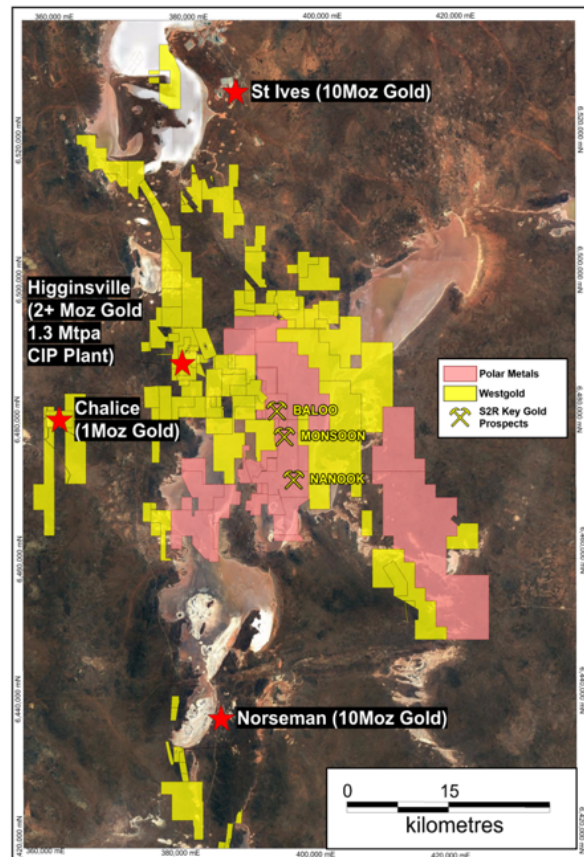
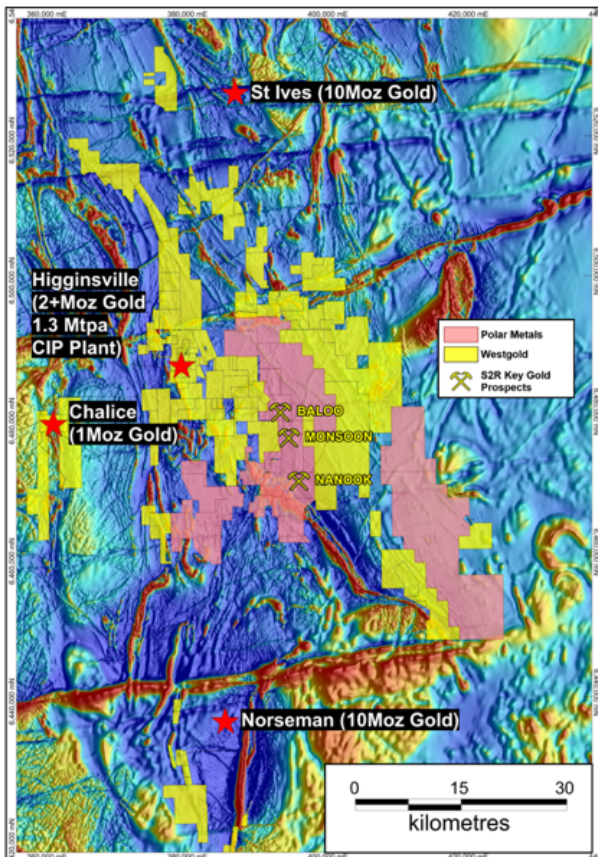
Westgold Resources Limited (**ASX:WGX**) (**Westgold**) advises that it has executed a binding Heads of Agreement (**Agreement**) with S2 Resources Limited (**S2R**) to acquire its interest in the Polar Bear Project (100%), Eundynie Joint Venture (80%) and the Norcott Project (100%) (together, the **WA Gold Projects**) via the sale of all of the shares in S2's wholly owned subsidiary Polar Metals Pty Ltd (**Sale**) for A\$9 million.

Under the terms of the Agreement, Westgold will pay S2R \$3 million in cash plus and allot it four million fully paid ordinary shares which are subject to a voluntary six month escrow period. S2R will retain rights to nickel in the titles.

Westgold Managing Director, Peter Cook said:

“We are delighted to acquire this package of tenements and resources which fit nicely into our Higginsville Project. The discovery of these deposits by S2R and the significant discovery of the Invincible Mine by Goldfields Ltd to the north has opened this region as a new province of gold discoveries in stratigraphy previously under-evaluated for its gold potential. We are delighted to be a major landholder in the region with one of the few operating process plants in place to commercialize the region.”

The Polar Bear project abuts our Higginsville Project and provides near time ore sources for our plant from mining of the Baloo deposit and further exploring with a view to development of the nearby Monsoon, Bindy, Nanook and Ear Lobe prospects.



The Polar Bear project spans an area of 151 square kilometres, located between Higginsville and Norseman, and is surrounded by the major gold camps of Norseman (10 million ounces), St Ives (12 million ounces) Higginsville (2 million ounces) and the Chalice (1 million ounces).

Most of the area is unexplored or ineffectively explored due to it being largely concealed by the shallow salt lake sediments of Lake Cowan and the sand dunes of the Polar Bear peninsula.

The Polar Bear project contains a number of shear zones of the type that host gold mineralisation elsewhere in the district, and also contains southern extensions of the Kambalda and Widgiemooltha ultramafic stratigraphy, which hosts a number of world class nickel sulphide mines along strike to the north.

### **Baloo Gold Deposit**

The Baloo deposit is located approximately 15 kilometres east of the Higginsville gold mine, at the northern end of the Polar Bear project

Gold mineralisation occurs in at least two structures (the Main Zone and Footwall Zone) as well as within a number of flat lying supergene layers in the hanging wall (to the east side) of the Main Zone. The Main Zone has been defined over a strike length of 450 metres and includes a central "sweet spot" within the oxide zone averaging approximately 40 m thick, 80 m along strike and 80 m down dip. The localised thick oxide zone forms a funnel shaped zone of mineralisation starting from a depth of just two metres beneath the lake surface, an ideal shape for a potential open pit.

Primary gold mineralisation, associated with quartz-arsenopyrite veining, occurs beneath and to the south of the oxide gold zone at Baloo. Drill intercepts in the primary zone have defined a mineralised shoot which plunges gently to the south over a strike length of at least 180 metres. Key intercepts, considered approximate true width, include 5 m @ 6.91 g/t gold from 92 metres, 8 m @ 5.14 g/t gold from 106 metres, 7.6 m @ 8.35 g/t gold from 125.2 metres and 9.8 m @ 4.97 g/t from 111.5 metres.

Latest drilling has shown that the Baloo mineralised system remains open to the south, as a narrow high grade lode, indicating the system is still "live" beyond the current limits of drilling. Key intercepts from this zone include 1 m @ 43.1 g/t gold from 97 m, 1.25 m @ 9.52 g/t gold from 216.6 metres, 0.6m @ 14.0 g/t gold from 188.6 metres and 2.5 m @ 10.9 g/t gold from 157.4 metres.

In February 2017, an updated Mineral Resource estimate for Baloo was announced by S2R. The Mineral Resource estimate for the Baloo gold deposit comprises 4,220,000 tonnes grading 2.0 g/t gold for a contained 264,000 ounces of gold at a lower cutoff grade of 0.8 g/t gold. Of this, 1,160,000 tonnes (or 53%) containing 71,000 ounces of gold (or 56%) of this is classified as higher confidence indicated category material, with the balance being lower confidence inferred category material.

Near surface oxide and transitional mineralisation comprises approximately 61% of the total Mineral Resource and 81% of the Indicated Resource, and this extends south and north from the central zone. The remainder of the resource comprises a deeper primary lode, which plunges to the south and remains open at depth.

### **Other gold prospects**

The Monsoon gold prospect is located 4 km south of the Baloo Gold Deposit, along the same prospective trend beneath Lake Cowan. A reconnaissance aircore drilling program on an 80 metre by 40 metre grid has defined sporadic mineralisation over a 1 kilometre strike length, associated with quartz veining and arsenopyrite alteration within a north-northeast trending shear zone on a mafic – shale contact. The best results achieved to date include 12 metres at 16.9g/t from 68 metres and 32 metres at 2.47g/t from 16 metres.

The Earlobe prospect is well advanced with drill intersections that include 8m @ 5.56g/t, 4m @ 4.95g/t, 2m @ 26.6g/t and 4m @ 6.09g/t gold. The known gold mineralisation is split into an upper and lower gold lode with individual quartz veins up to 4 metres thick. Both lodges remain open along strike and down dip and as yet the limits of this mineralisation have not been defined.

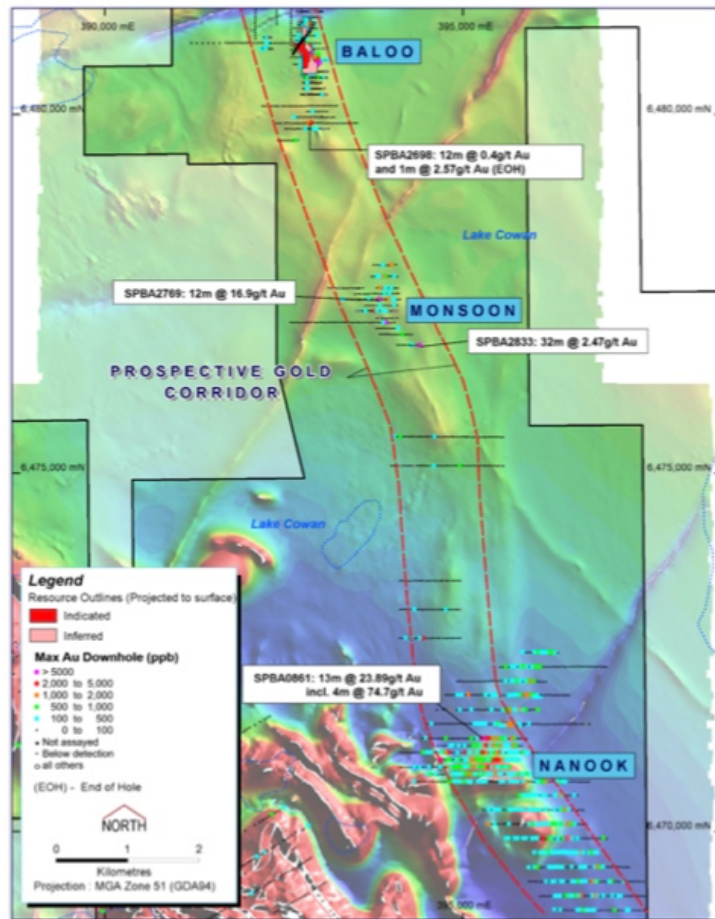


Diagram included to Demonstrate Prospect Location

At the Bindy and Nanook prospects, reconnaissance drilling has confirmed the presence of extensive gold mineralisation with the Nanook anomaly defined over 2 kilometres and the Bindy anomaly over 1.8 kilometres. Aircore drill intersections for the Nanook Prospect include 13m @ 23.89g/t, 8m @ 2.89g/t, 6m @ 2.71g/t and 9m @ 2.54 g/t gold. Equally strong results were achieved for the Bindy prospect with 8m @ 3.96g/t gold found within the core of the gold anomaly.

## Enquiries

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The information is extracted from the report entitled 'Resource and Exploration Update' created on 13 February 2017 and is available to view on S2 Resources' website ([www.s2resources.com.au](http://www.s2resources.com.au)) and the ASX ([www.asx.com.au](http://www.asx.com.au)) and public information made available on S2 Resources' website. Westgold 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. Westgold 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.