



AUSTRALIAN CONTRACT MINING

Press Release
8 June 2017

Westgold to acquire Australian Contract Mining (ACM)

Westgold Resources Limited (**ASX:WGX**) (**Westgold**) is pleased to announce it has signed an agreement to acquire privately owned specialist underground mining contractor, Australian Contract Mining Pty Ltd (**ACM**). ACM is one of the largest privately owned underground mining and drilling contractors in Australia and currently has mining contracts in place at three of Westgold's underground gold mines.

Following the successful commissioning of its fourth gold operation at Fortnum, Westgold has now turned its focus onto lowering its cost of mining and making its gold projects the most flexible and efficient they can be. A key driver in this process is the reduction of contractor margin and increased flexibility in our mining plans by becoming owner operator. Westgold has achieved this with the majority of its open pit operations at the Central Murchison Gold Project where it owns and operates two open pit mining fleets.

Westgold's Managing Director, Peter Cook said:

"This is fantastic move and opportunity by the Company to consolidate and focus the outputs from our operations to the common goal of increased gold production at lower cost per ounce. Westgold has an excellent growth trajectory from our gold projects, this primarily involves the re-establishment of a number of larger underground mines to provide sustainable high grade production to our process plants. ACM is an excellent underground mining contractor with a highly skilled, motivated and productive team, and a pool of equipment and resources ideally matched to compliment our growth profile.

Westgold intends to integrate ACM with its existing internal open pit mining fleets and operate as an internal diversified mining services division. ACM will service our own operations and with specialist skills, equipment and by being part of a larger and more resourced group, and will take on third party contracting if the opportunity arises.

Westgold will acquire all of the shares in ACM for a net consideration of \$2.5 million in cash plus 14 million fully paid ordinary Westgold shares. ACM founder and driving force Brian Rodan will continue to be the CEO of the wholly owned subsidiary and will join the executive management of Westgold. The agreement is subject to Westgold completing a due diligence investigation into ACM.

Peter Cook said:

"We are thrilled to have someone with calibre and experience of Brian join our team. He and all that ACM brings will be good for Westgold and our shareholders as we forge our way up the ladder of Australian gold producers."

Enquiries

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