



AngloGold-Rover 1 Claw-back

AngloGold to make decision on Rover 1 “claw-back” before 20 October, 2010 after clarifying its agreement with Westgold

AngloGold’s near-term decision to provide a clear path forward for Rover 1

Amendments to agreement also provides clarity for the rest of the Rover project area

Westgold Resources Limited (“**Westgold**”) is pleased to advise that it has resolved several matters of dispute with AngloGold Ashanti Australia Limited (“**AngloGold**”) regarding the timing, implementation and obligations pertaining to AngloGold’s claw-back rights over part of Westgold’s Rover 1 Gold-Copper Project in the Northern Territory.

The positive outcome of the recent discussions between Westgold and AngloGold provides a clear path forward for the Rover 1 Project, providing clear parameters, mechanisms and obligations for all parties relating to the claw-back rights.

Rover 1 Prospect

Westgold has defined a JORC compliant⁽¹⁾ resource of 1,037,600 AuEq ounces at Rover 1. As a result of ongoing discussions between Westgold and AngloGold:

1. AngloGold will have until 20 October 2010 to decide whether it wishes to exercise its option to claw-back a 75% interest in Rover 1.
2. Westgold has agreed, pursuant to the overall changes agreed between the parties, to include the previously excluded tenement EL24989 in the package for AngloGold to consider its claw-back option at Rover 1.
3. If AngloGold elect to exercise its claw-back option on Rover 1 it must pay Westgold three times the exploration expenditure incurred by Westgold on Rover 1. This is, estimated to be approximately \$A50 million based on the unaudited estimated costs incurred by Westgold to 20 October 2010.
4. If AngloGold exercise its claw-back option it will have up to 30 months to increase the resource to 2 million AuEq ounces and a further 30 months to complete a detailed feasibility study on the prospect (i.e. 60 months in total).

General Agreement

In addition to the above both parties have also agreed to amend the current agreement in respect to any future prospects within the agreed areas on the following basis:

1. If Westgold define a JORC compliant resource of 500,000 AuEq ounces or more within the defined tenements then:
 - (a) Westgold must advise AngloGold within 7 days of the resource estimate;
 - (b) AngloGold must define an area of interest (“AOI”) of no less than 20 sq km’s and up to 150 sq km centred on the JORC compliant resource;
 - (c) AngloGold has 9 months to notify Westgold whether it wishes to exercise its claw-back option to proceed with the claw-back of a 75% interest.



2. Should AngloGold exercise its claw-back option it must fulfil all of the following obligations to earn its 75% claw-back interest:
 - (a) Reimburse Westgold three times (3x) its past expenditure on the tenement containing the AOI the subject of the claw-back (but excluding any expenditure relating to previous AOI's on the same tenement whether or not the option to claw-back was exercised in respect to such AOI);
 - (b) Define a JORC compliant resource of at least 2 million AuEq ounces within 30 months from the date of the exercise of the claw-back option; and
 - (c) Complete a detailed feasibility study on the AOI within 5 years from the date of exercising the option (i.e. Inclusive of the 30 months to define the 2 million AuEq ounces), although AngloGold may request that Westgold agree to an extension of time to complete the feasibility study and such an extension shall not be unreasonably withheld by Westgold.

In addition, the parties have agreed:

1. The measure for AuEq to be related to the primary commodity and the next most valuable co-commodity only and using commodity prices at the time of notification.
2. If Westgold makes an application for a Mineral Lease ("MLA") over an area which contains a JORC compliant resource of less than 500,000 AuEq ounces it will trigger an equivalent claw-back right by AngloGold within that area of the MLA only.
3. AngloGold may conduct sole risk exploration on any part of the tenement areas for the purposes of making a decision with respect to a claw-back.

"We are pleased that the recent discussions with AngloGold have clarified the claw-back arrangements" said Westgold's Managing Director, Andrew Beckwith.

"AngloGold's near-term decision will provide a clear path forward for Rover 1 and will present a major milestone for Westgold. The agreement now provides clear parameters, mechanisms and obligations for all parties relating to the AngloGold claw-back rights for additional discoveries in this exciting new copper-gold province."

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The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Andrew Beckwith (B.AppSc.) who is a full time employee of Westgold Resources Limited, is a member of the AusIMM. Mr Beckwith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



(1) Rover 1 Resource Background (refer to ASX release dated 23 February 2010)

The Rover 1 maiden JORC Mineral Resource estimate comprises **5.3Mt at 6.1g/t gold equivalent for 1,037,600 gold equivalent ounces** (Table 1) and importantly includes internal high-grade gold and copper zones totalling **2.4Mt at 9.3g/t gold equivalent for 728,700 gold equivalent ounces** (Table 2).

Rover 1 is the first major Iron Oxide Copper Gold (IOCG) system discovered in the Rover Mineral Field and has significant further potential as mineralisation remains open in most directions, particularly along strike and down-plunge. The gold-copper-silver-cobalt-bismuth sulphide rich mineralisation occurs overprinting highly altered and deformed Proterozoic-aged sediments and massive hematite and magnetite ironstones and resembles the mineralisation style evident in many of the nearby Tennant Creek historical mines.

Drilling with two drill rigs is currently underway for further extensions to the overall Rover1 system.

Table 1: Rover 1 – Total Mineral Resource Estimate (2.5g/t AuEq cut-off)

Classification	Tonnes	AuEq g/t	Au g/t	Ag g/t	Bi %	Co %	Cu %	AuEq Oz
Indicated	588,000	14.6	8.5	3.7	0.3	0.1	1.7	276,600
Inferred	4,742,000	5.0	1.3	2.0	0.1	0.1	1.0	761,000
Total	5,330,000	6.1	2.1	2.2	0.1	0.1	1.0	1,037,600

Rounding errors may occur

Table 2: Rover 1 – Internal High-Grade Gold and Copper Zones (using 2.5g/t Au or 1% Cu cut-offs)

Classification	Tonnes	AuEq g/t	Au g/t	Ag g/t	Bi %	Co %	Cu %	AuEq Oz
Indicated	588,000	14.6	8.5	3.7	0.3	0.1	1.7	276,600
Inferred	1,862,000	7.6	2.5	2.1	0.2	0.1	1.5	452,100
Total	2,450,000	9.3	4.0	2.5	0.2	0.1	1.5	728,700

Rounding errors may occur

For additional information please refer to the Company website: www.westgold.com.au.

Gold Equivalence

The Gold Equivalence calculation represents total metal value for each metal assuming 100% recovery, summed and expressed in equivalent gold grade or ounces. The prices used in the calculation being US\$1100/oz Au, US\$7000/t Cu, US\$21.0/lb Co, US\$7.5/lb Bi and US\$15.0/oz Ag and approximate metal prices as at 18 Feb 2010.