

WESTGOLD RESOURCES LIMITED
[ASX: WGX]

MARCH QUARTERLY OVERVIEW

28 April 2022

Debbie Fullarton – Chief Executive Officer

Wayne Bramwell – Executive Director



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. Anthony Buckingham B.Eng (Mining Engineering) MAusIMM. Mr. Buckingham 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. Buckingham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr. Buckingham 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.

Q3 FY22 Results



Established Australian producer: Tier 1 jurisdiction and a +35M oz gold province



Operational flexibility: 4Mt milling capacity and 2.2M oz reserve



Owner miner: Cost effective and efficient miner with stable costs



YTD FY22: Production tracking to guidance: **198,288oz @ AISC of A\$1,684/oz**



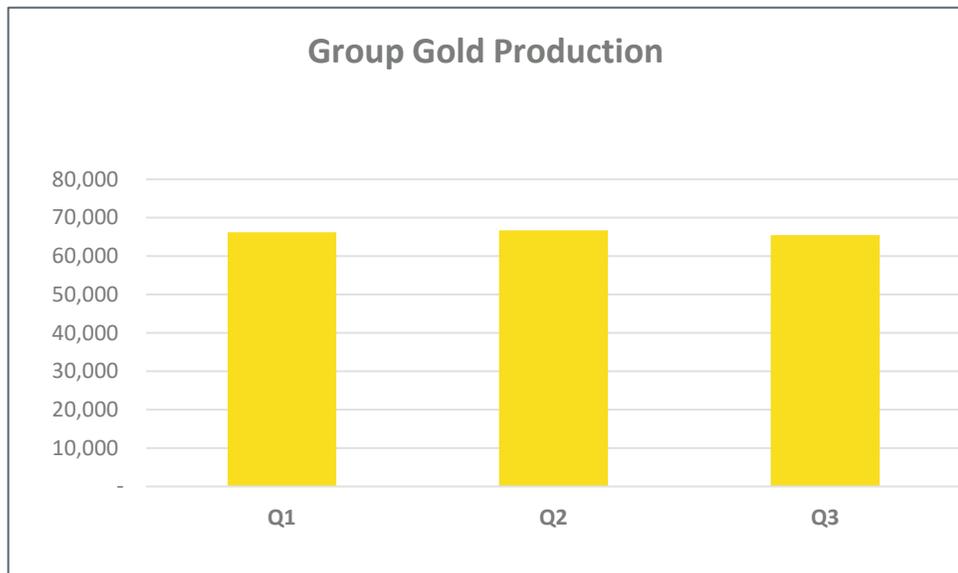
Closing Cash and Bullion: A\$189M

Focus

- **FY22 production guidance:** +270,000 oz @ AISC A\$1500-1700/oz
- **Consistency in operational delivery:** grade, ounces and cost management
- **Increasing free cash flow:** increased operating margin and return on investment
- **Advancing ESG initiatives:** increasing use of renewable energy and reduction in emissions
- **Future proofing the business:** Successful **A\$100m** placement to fund organic and inorganic growth



Year to Date Performance

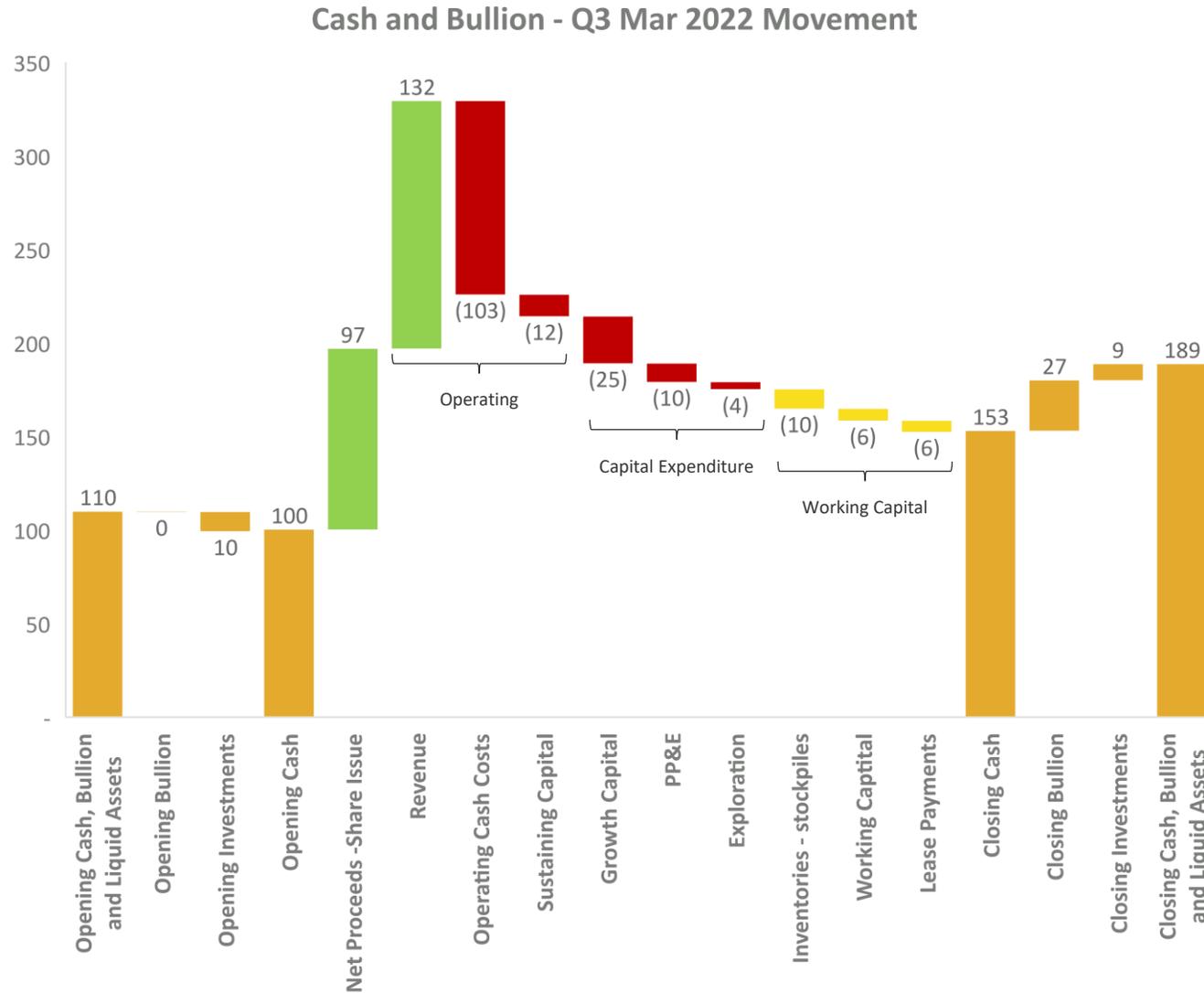


FY22 Guidance		FYTD
Production Oz Au	+270,000	198,288
AISC A\$/oz	1,500 – 1,700	1,684
Achieved gold price		\$2,366 / oz



Cash Flow Movement

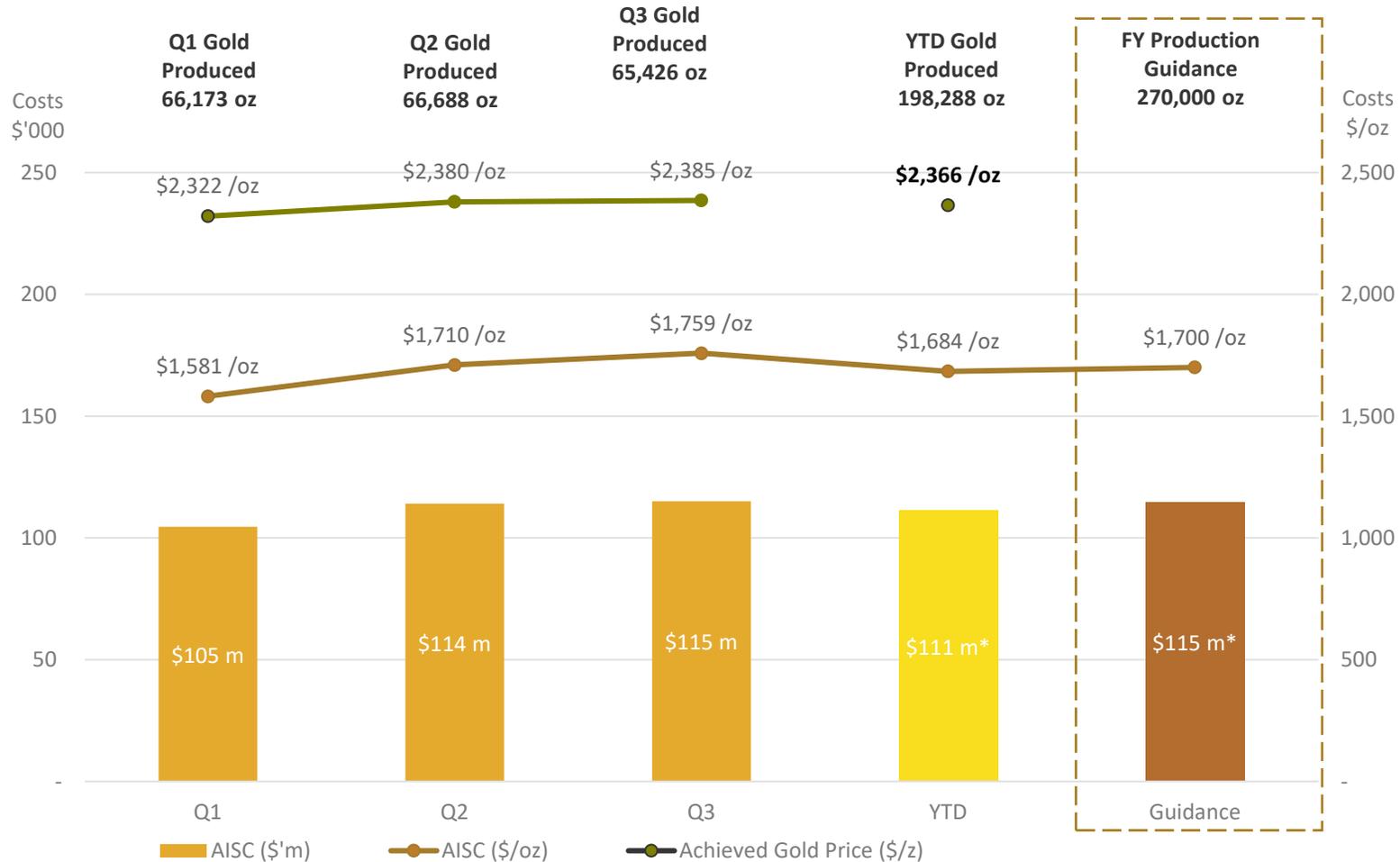
Analysis of cash movement of A\$79M



- Net proceeds from placement **A\$97M**
- Cash Margin **A\$44M** made up of:
 - Revenue A\$132M
 - Unsold gold A\$27M
 - Operating Costs (A\$103M)
 - Sustaining Capital (A\$12M)
- Capital Expenditure of (A\$39M) comprises:
 - Growth Capital (A\$25M)
 - Plant & Equipment (A\$10M)
 - Exploration (A\$4M)
- Other Movements of (A\$23M) comprise of :
 - Build of Stockpiles (A\$10M)
 - Lease payments (A\$6M)
 - Changes in working capital (A\$6M)
 - Changes in Investments (A\$1M)

Key Metrics

Westgold - Production, Achieved Gold Price & AISC



Note: *Quarterly Averages

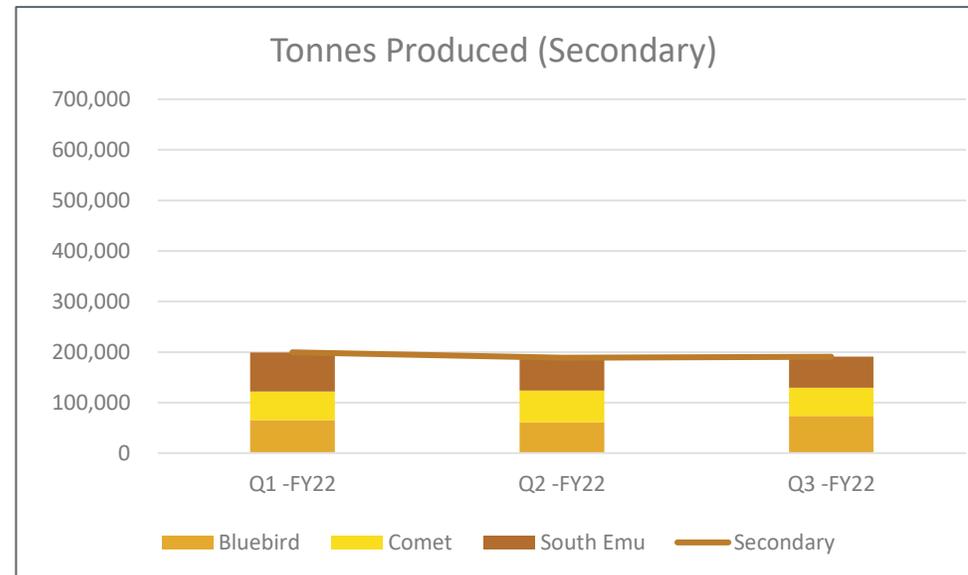
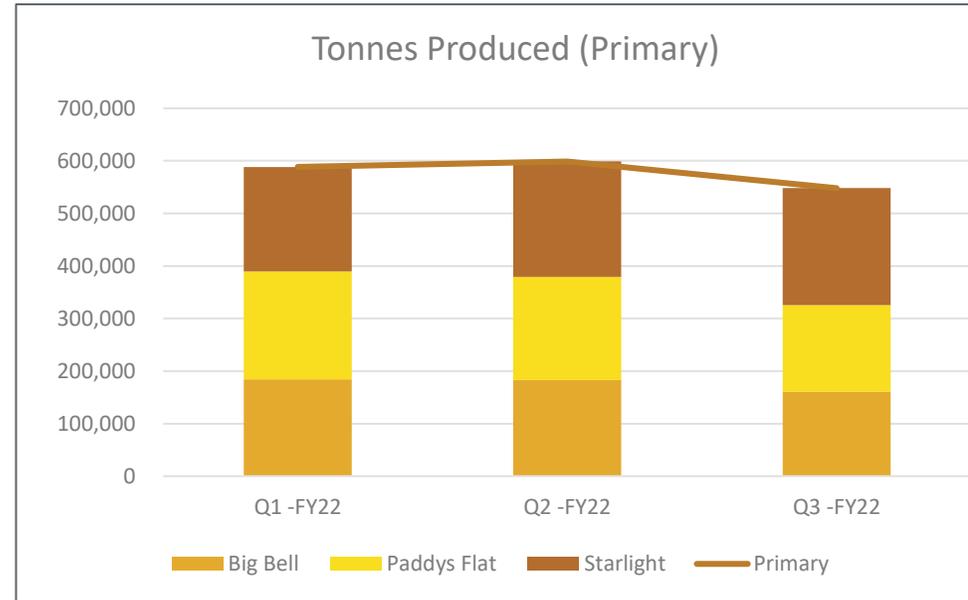
Key Points

- Achieved gold price improved
- Steady production
- Maintained costs
- Healthy margin
- **YTD tracking to guidance**

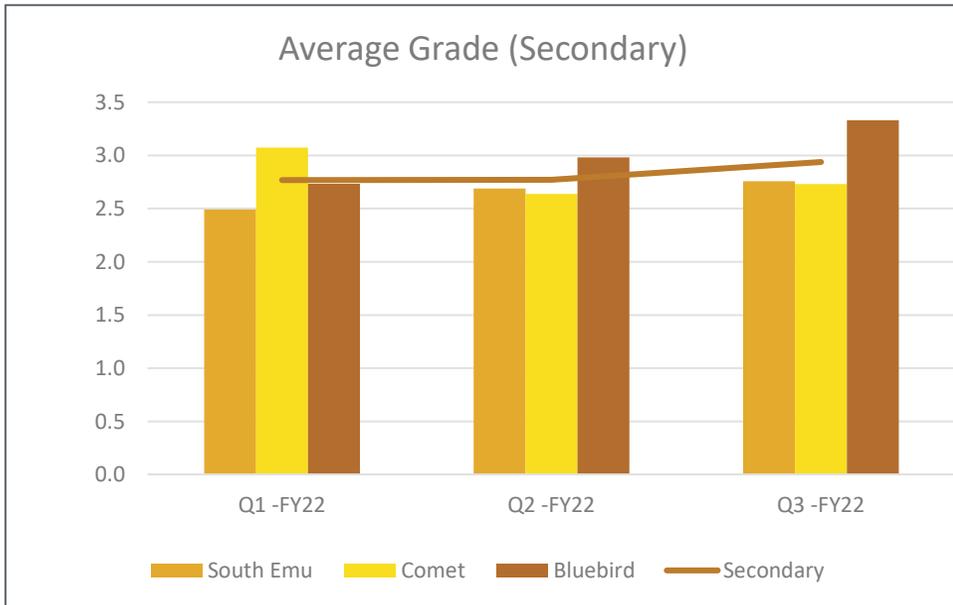
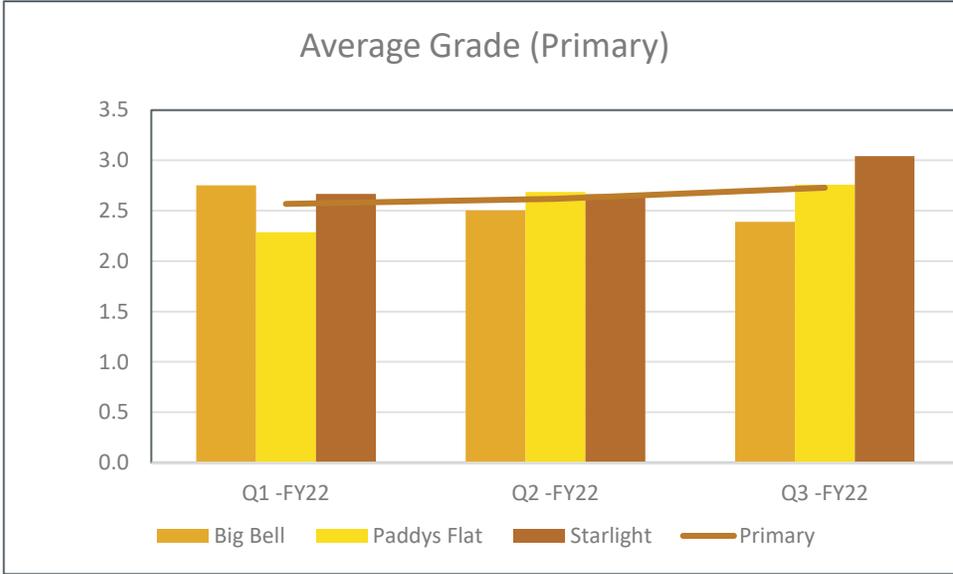




Production Stability



Grade Improving

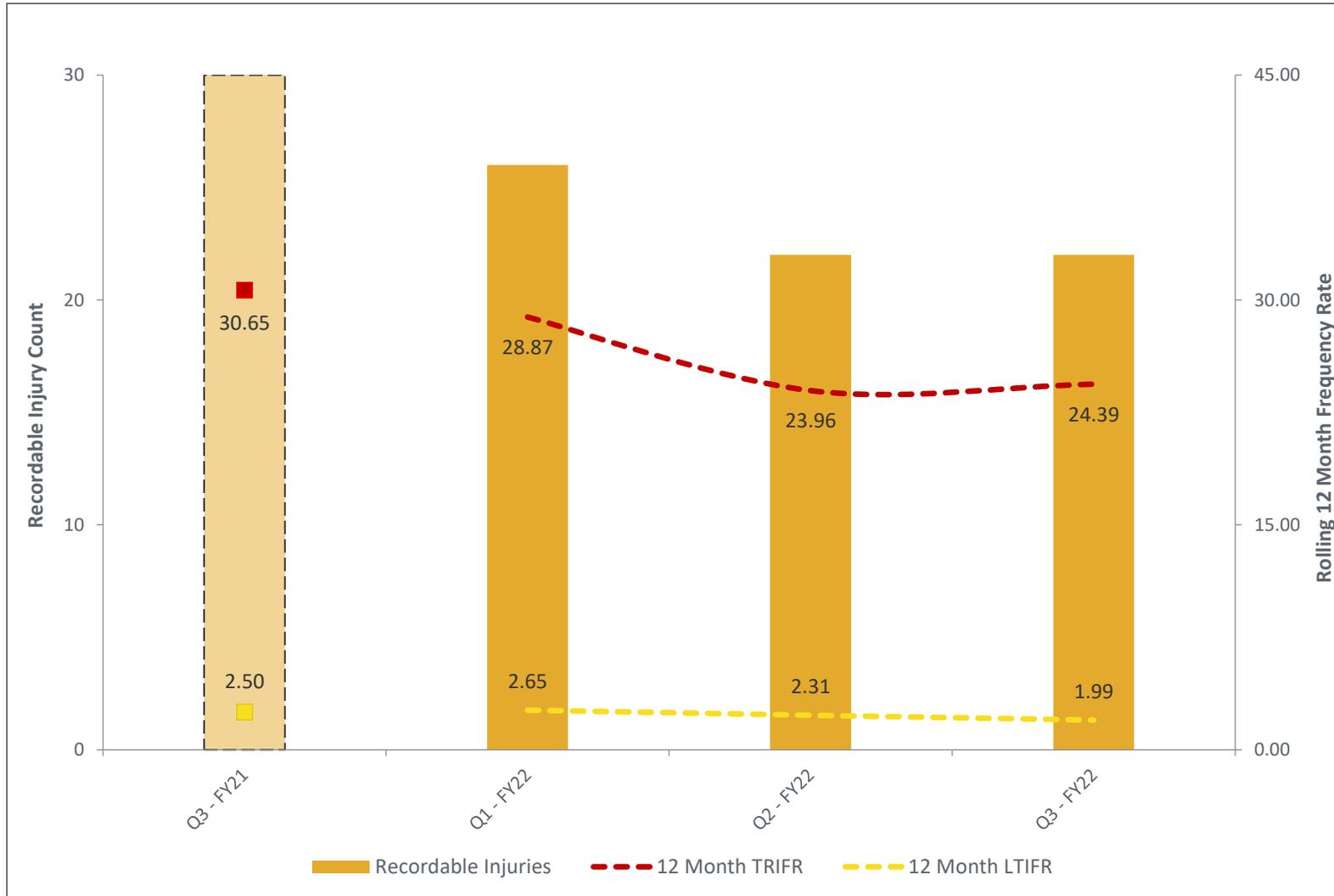


ESG – Group Power Project Proposal



- Westgold is committed to integrating renewable power into its operations and plan to switch to gas fired generators as carbon emissions from gas are 26% lower than diesel per GJ of energy.
- The Company is well advanced in negotiations with the preferred tenderer on an Electricity Purchase Agreement under which diesel-fired power stations are intended to be replaced with a gas fuel solution complemented with solar power and battery storage.
- The independent power provider will fund and construct the new power plants and provide electricity on a fixed and variable cost basis with commissioning expected in mid-2023.
- The project is expected to provide substantial cost savings to the business as well as significantly reducing the Company's carbon footprint through the use of cleaner fuel (gas versus diesel) and renewables (solar).

Safety and Environmental Performance



Total Recordable Injury Frequency Rate (TRIFR) increased slightly by 1.79% (from 23.96 to 24.39) for the quarter.

Lost Time Injury Frequency Rate (LTIFR) decreased by 13.85% (from 2.31 to 1.99) for the quarter.

Significant Environmental Incident Frequency Rate (SEIFR) remained at 0.00 for this quarter.

Environmental Incident Frequency Rate (EIFR) increased slightly, moving from 12.12 to 12.19 for the quarter.

Application of Growth Funds

A\$M	Category	Use of Fund	Progress
70	Murchison Growth	<ul style="list-style-type: none"> Bluebird expansion New Fender Underground Tuckabianna Trend Day Dawn 	<ul style="list-style-type: none"> Fender development underway
10	Bryah Growth	<ul style="list-style-type: none"> Mill & infrastructure Resource development drilling 	<ul style="list-style-type: none"> Fortnum Mill upgrade to 1Mtpa planned Labouchere dewatering and drilling underway
10	Regional Corporate Targets		
10	Working Capital and Placement Costs		<ul style="list-style-type: none"> Placement fee paid
Total \$100M			



Board Changes

Board Changes – majority independent and meeting diversity expectations

- **Retirement of founder and Non-Executive Chair Mr Peter Cook.**
 - Westgold flourished under the stewardship of Mr Cook to become the sixth largest domestic gold producer in Australia.
- **Appointment of the Hon. Cheryl Edwardes AM as Independent Non-Executive Chair.**
 - Cheryl is a highly credentialled and experienced company director and Chair. A solicitor by profession Cheryl held positions including WA Attorney General, Minister for the Environment and Minister for Labour Relations.
- **Appointment of highly experienced mining executive, Mr Julius Matthys to the Board as an Independent Non-Executive Director.**
 - Julius has substantial corporate experience having spent 36 years in the resources sector in large corporate entities.





COVID-19 Management



- The COVID-19 pandemic has continued to provide operational and logistical challenges to our business.
- In this quarter, the business successfully implemented a range of specific Coronavirus control measures to restrict the impact of COVID-19 on our operations in line with WA Government requirements and industry best practice.
- Operating units were impacted by positive COVID-19 clusters throughout the quarter, resulting in the isolation of positive cases and close contacts and this impacted production due to higher level of absenteeism.

- **Building surface ore stocks** - invested a further \$10m to mitigate disruption risks
- **Building inventory of critical spares and consumables** - invested A\$2M additional this quarter to mitigate supply risk
- **Capital reinvestment** - invested A\$10M in fleet and infrastructure this quarter
- **Growing our own** - committed A\$4M to exploration on WGX tenure this quarter with drilling underway
- **Growing our own** - commissioned the training mine to train our people in a real environment without full- scale production pressures

Q4 Outlook

Levers to Enhance Profitability

- Simplify the business
- Focus on profitability and productivity
- Increased production with baseline tonnage from core mines supported by secondary mines
- Increase mined grade demonstrated through disciplined design and execution
- Reduction in AISC through active continuous cost saving initiatives and improving productivity

Future proofing the business

- “Build Your Own” – people, systems and internal capacity,
- Growth pipeline – mine and plant studies underway
- Exploration - targeted drilling underway
- Eyes open for opportunity...



Need More Information?

Corporate and Investor Enquiries:

Wayne Bramwell – Executive Director

P: +61 8 9462 3400

E: wayne.bramwell@westgold.com.au

www.westgold.com.au