

Westgold Resources Limited
ASX : WGX



FY23
STRUCTURING FOR GROWTH

SEPTEMBER 2022

WAYNE BRAMWELL – MANAGING DIRECTOR

COMPLIANCE STATEMENT

The information in this report that relates to Exploration Results is compiled by Westgold technical employees and contractors under the supervision of Mr. Simon Rigby B.Sc. (Hons), who is a member of the Australian Institute of Geoscientists. Mr Rigby 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 Rigby consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Rigby 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.

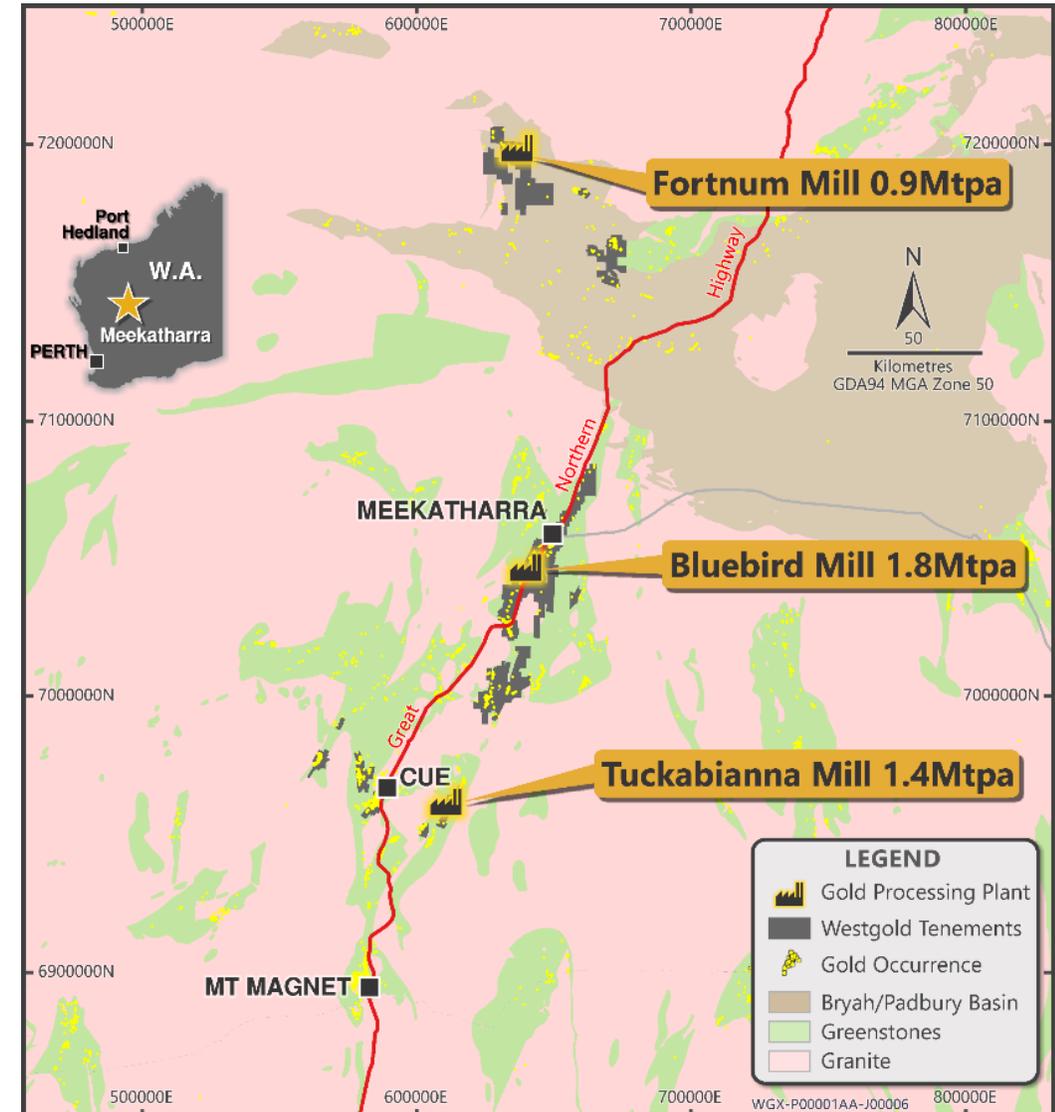
Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the 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.

Westgold – A Scalable Australian Platform



- **100% Western Australian gold miner**
- **Dominant Bryah / Murchison footprint** – 1,300km² of tenure
- **Operational flexibility** – multiple mines and 4Mtpa processing capacity
- **Shallow underground mines** – reduces cost and complexity
- **Underground miner/operator** – extensive fleet and technical capacity
- **Exploration and resource development** – early success evident
- **Organic growth strategy accelerating** – growth fully funded with nil debt
- **Enhancing cost efficiencies** – increasingly leveraging our significant scale
- **Futureproofing the business** – reducing energy costs and reliance on diesel
- **Focused and committed workforce** – 1150-strong with high retention rates
- **Structured for growth in FY24**



Westgold

100% Australian mid-cap gold producer

- **Debt free and robust balance sheet** – cash and cash equivalents @ 30 June of A\$183M/ US\$126M¹
- **New Leadership** – Board and management focus is safety, profitability and sustainability

FY 22

Operational Reset Commenced - delivered on what we said

- **Delivered guidance** – 270,884oz @ AISC A\$1,692/oz (US\$1,166/oz)¹
- **Key mines reach design levels** – Big Bell, Bluebird, Starlight
- **Exploration reinvigorated** – early success at Sovereign

FY 23

Profitability Reset – focus is profitable ounces

- **Simplify the business** – consolidate at 240koz-260koz, make big mines bigger
- **Reset the cost base** – leverage our scale, drive efficiencies, eradicate waste
- **Deploy growth capital** – Bluebird mine expansion, Caustons and Great Fingall drilling underway
- **Future proof the business** – reduce diesel exposure, introduce gas and renewables

FY 24

Growth and profitability - from a stronger platform

- **Higher grade assets online** – Great Fingall (50koz pa) and Caustons (40koz pa)
- **Fender and/or Comet and South Emu** – drilled and ready to restart

Leadership and Corporate Snapshot

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

Corporate Structure

Shares on Issue ¹	473.6M
Options on Issue ¹	2.3M
12 Month Trading Range ¹	A\$2.50 – A\$1.08
Avg Liquidity / day	≈2.8M shares
Avg Turnover	≈A\$3.5M
Cash, Bullion and Investments ¹	A\$190M [US\$131M²]
Hedge Position @ avg A\$2,396 ¹	148,000oz
Institutional Investors	≈78%

Major Shareholders¹

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



FY22

The Operational Reset

ESG – Committed to the Journey

Safety, Health and Wellbeing

- Zero Fatalities in our business
- Forecasting a 50% reduction in Injury Frequency Rates in FY23
- Active investment in the health and wellbeing of our people

People, Diversity and Inclusion

- 40% female directors
- 14% female employees
- 8% of managerial and executive positions held by females

Environmental Stewardship

- Zero reportable environmental incidents
- Increasing rehabilitation rate of disturbed land
- Transition to mixed diesel, gas and renewable energy platform

Governance

- 100% compliance with ASX Corporate Governance Principles and Recommendations
- WHS Legislation rollout and effectiveness Audit



ESG - People and Community



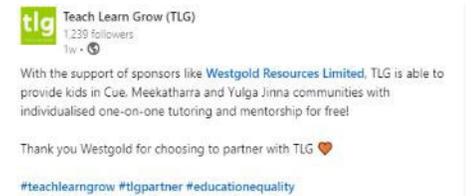
A\$27k Raised for Vinnies



Mining Day out for Students



First Graduate Engagement Day



TLG Partnership



A\$9k Raised for RFDS



Record Vacation Student Intake

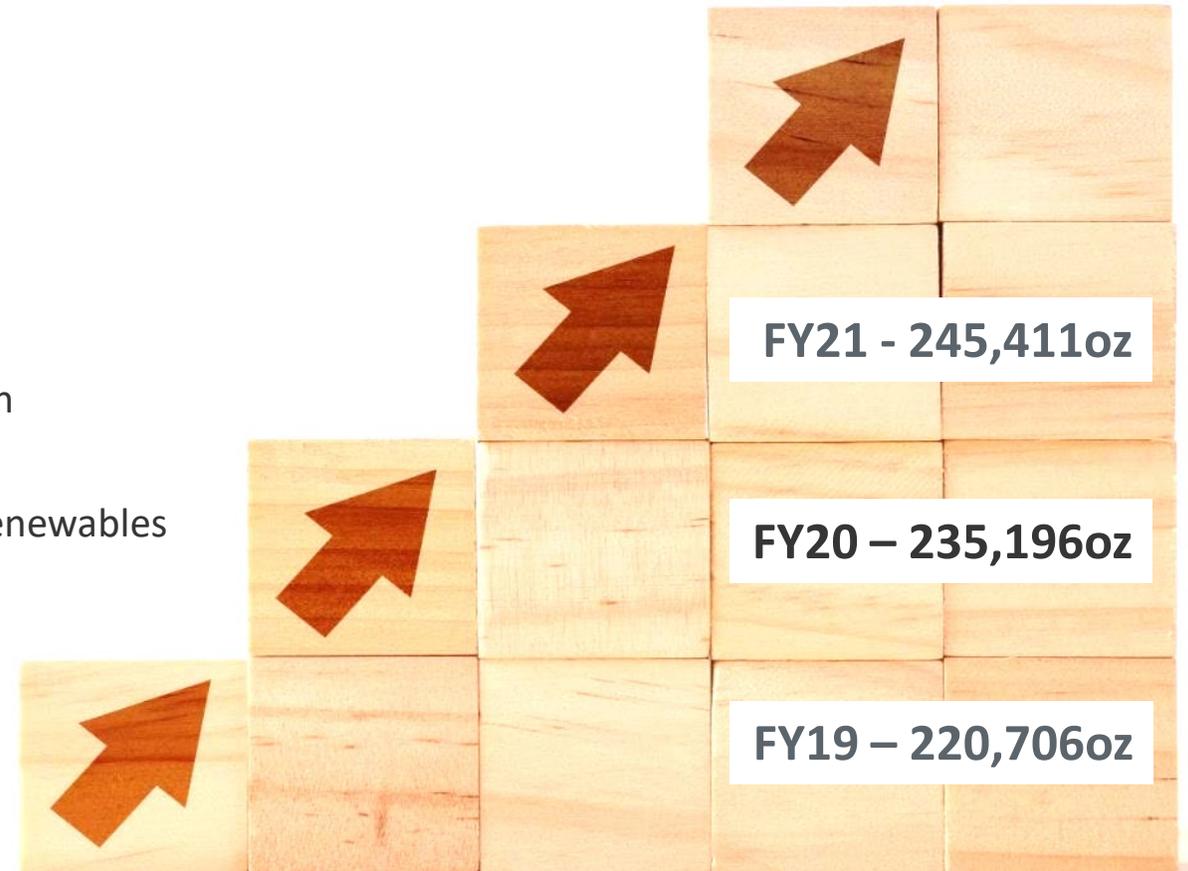


Centralised Training Facility Opened

FY22 – Delivered on our Promises

- **Record Full Year Group production** – 270,884oz @ AISC A\$1,692/oz (US\$1,166/oz¹)
- **Record Q4 Group gold production** – 72,597oz
- **Record Q4 production** – from Big Bell and Cue operations
- **Big Bell, Bluebird and Starlight mines** – achieved design levels
- **Early exploration success** – new high-grade discovery at Sovereign
- **Commenced future proofing the business** – electricity, gas and renewables
- **Growth strategy funded** – and advancing into FY23

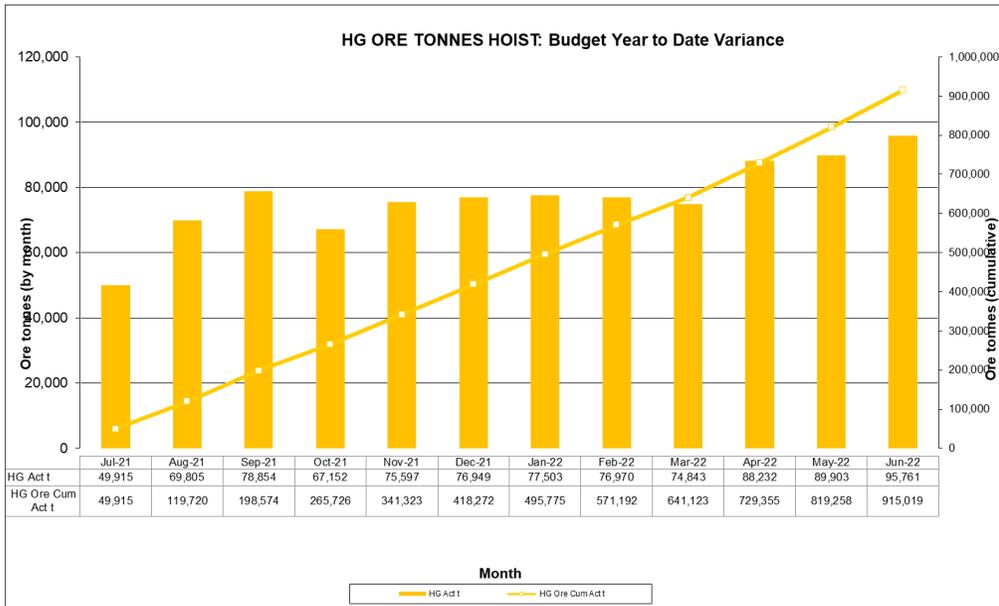
FY22 – 270,884oz



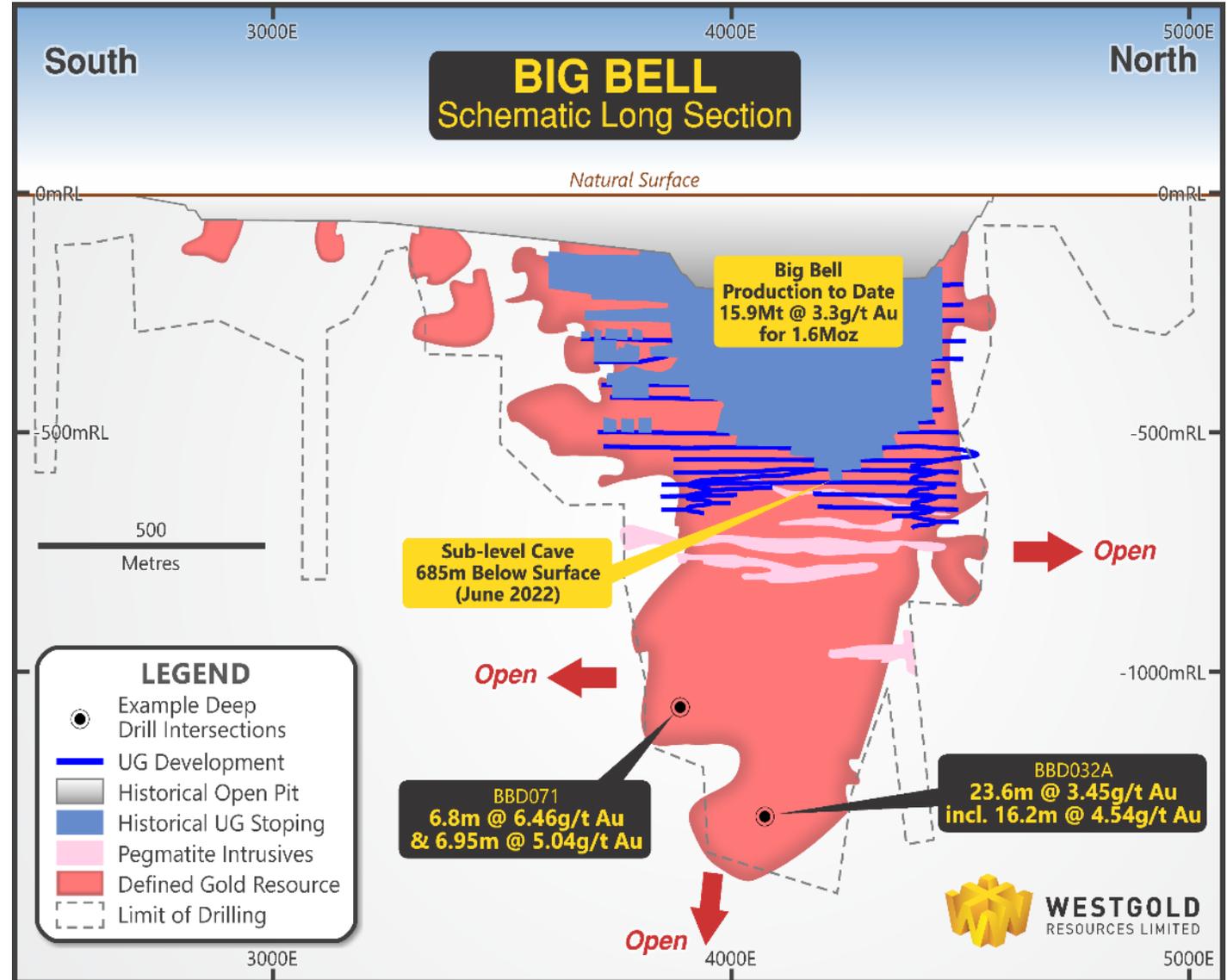
Big Bell – On Song

FY22

- Q3 – reached feasibility level of production
- Q4 – run rate above feasibility level
 - Q4 – 272,124t @ 2.6g/t Au
 - 4.4Mt @ 2.6g/t Au for 371.7koz fully developed
- Second virgin level exposed and mining
- Optimisation of all in-mine processes underway



Refer ASX WGX 30 June 2021 for details



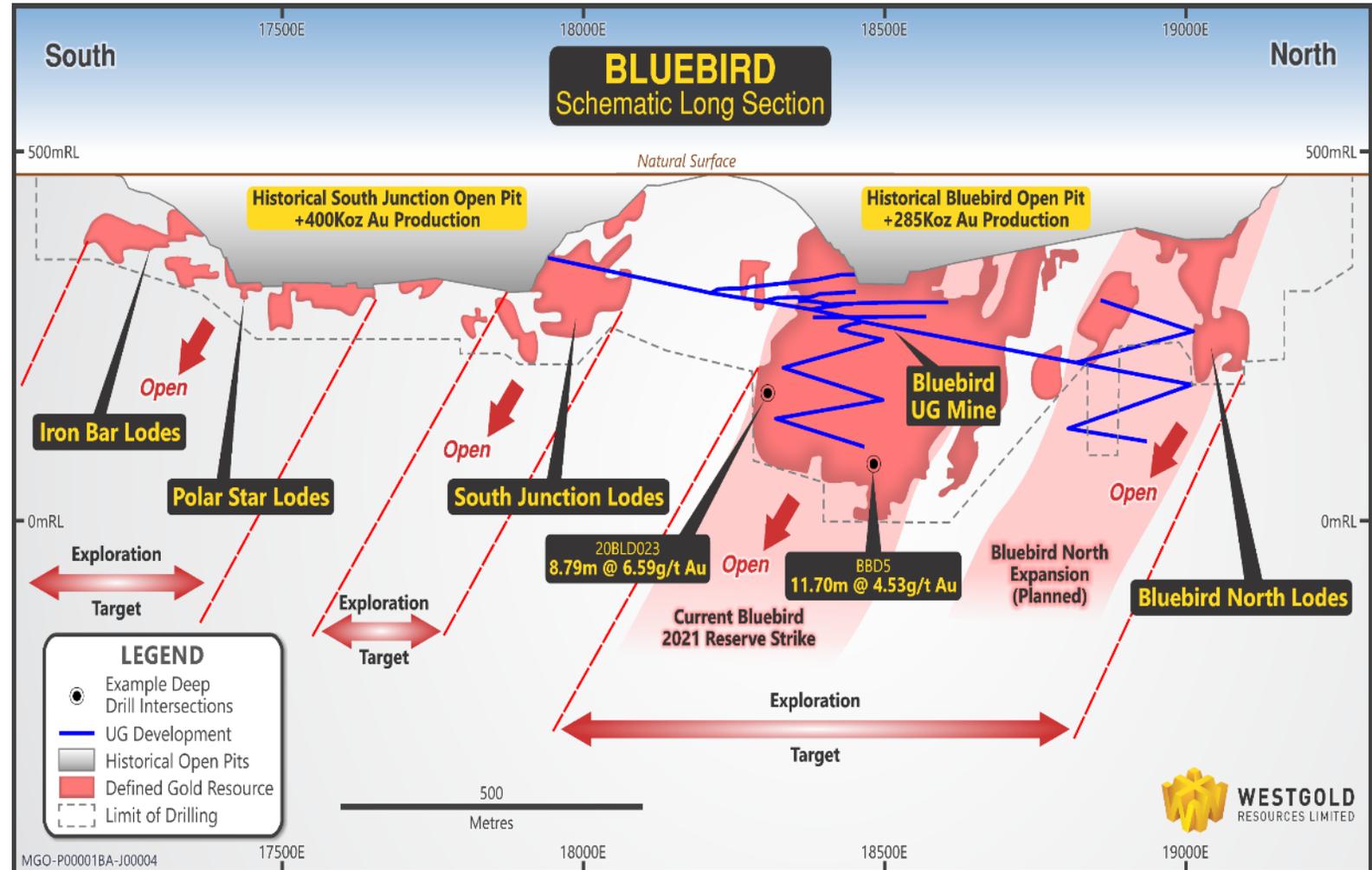
Bluebird – Predictable and Consistent

FY22

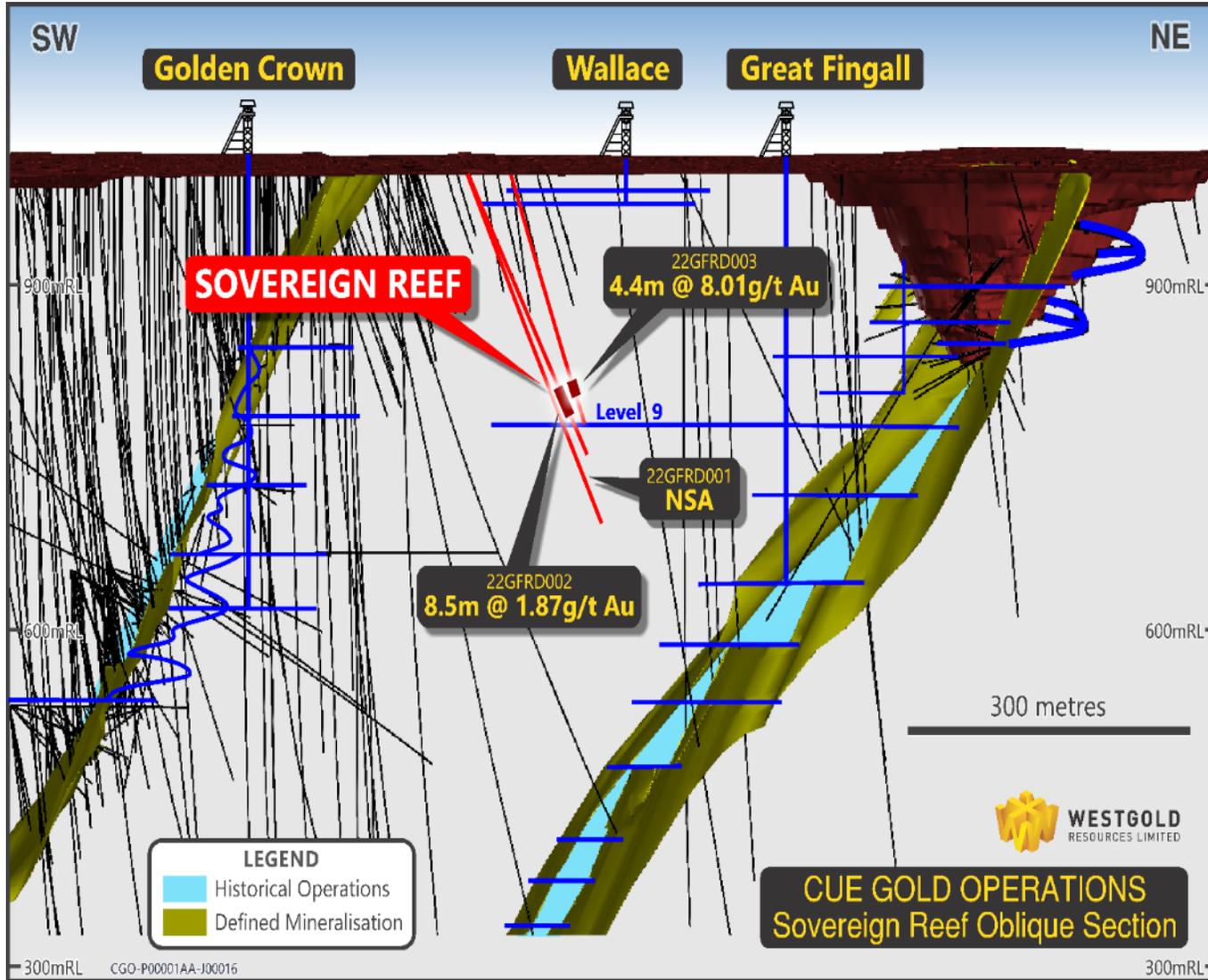
- Steady state +24ktpm @ 3.0g/t Au
- Q4 run rate +28ktpm @ 3.3g/t Au

FY23 – Bluebird Expansion moving

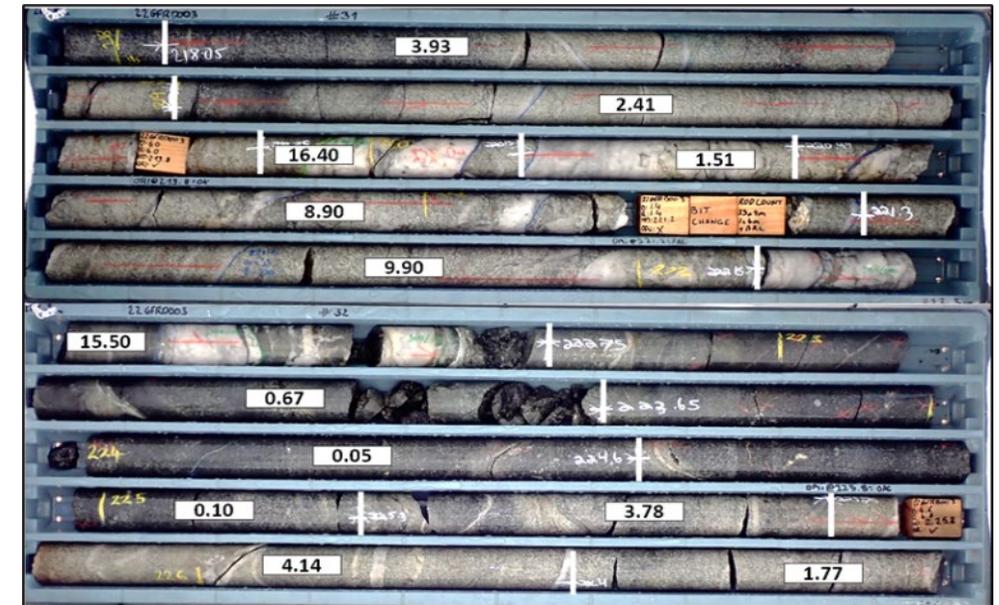
- Leverage the existing capital
- Access to North Lodes underway to lift tonnage and provide greater operational flexibility with additional stoping options
- Drilling South Lode extensions
- Additional high-grade ore lifts average grade to 1.8Mtpa Bluebird processing hub



Exploration Success at Sovereign



- Initial 3 hole drill program completed in April 2022 with highly encouraging assay results returned¹
- Located approximately halfway between Great Fingall and Golden Crown (historic production of >1.5M oz of gold from high-grade quartz reef systems hosted within the highly prospective Great Fingall Dolerite)
- Follow-up drilling underway**



Notes: ¹ Refer ASX release of 20 June 2022

22GFRD003 -8.50m @ 4.48g/t Au from 218.35m incl 4.40m @ 8.01g/t Au from 218.35m (showing assay results in g/t Au)

FY22 – Financials



Financial Metric	FY22 ¹	FY21 ²	Change
Gold Produced (oz)	270,884	245,411	+ 10%
Revenue (\$M)	A\$648/US\$446	A\$571/US\$429	+ 13%
Cost of Sales (\$M)	A\$620/US\$427	A\$456/US\$342	+ 36%
EBITDA (\$M)	A\$209/US\$144	A\$252/US\$190	- 17%
Depreciation and Amortisation (\$M)	A\$193/US\$133	A\$140/US\$105	+ 38%
Net profit (loss) before tax and impairment (\$M)	A\$15/US\$11	A\$112/US\$84	- 86%
Net profit (loss) after tax (\$M)	(A\$111)/(US\$77)	A\$76.8/US\$58	- 245%
Net cashflow from operations (\$M)	A\$180/US\$124	A\$249/US\$187	- 28%
Closing cash and cash equivalents (\$M)	A\$183/US\$126	A\$151/US\$113	+ 21%
Net Assets (\$M)	A\$588/US\$405	A\$607/US\$457	- 8%
Earnings per share A\$ (cents per share)	(25.32)	18.16	- 239%
Unfranked cash dividends declared A\$ (cents per share)	Nil	2.0	-

- Achieved gold price of A\$2,401/oz (US\$1,654/oz¹)
- Supply chain and inflationary cost pressures have impacted Costs of Sales:
 - Diesel fuel price increased **106%** with material changes in major consumables e.g. reagents, grinding balls, ground support, flights, haulage services and freight
 - Labour shortages coupled with wage inflation
- Non-cash impairment charge of A\$175M (US\$121M¹) relating to the Big Bell, South Emu Triton, Starlight and Open Pits mines
- Closing cash and cash equivalents of **A\$183M (US\$126M¹)**



FY23

Profitability Reset

Consolidate – Reset the Cost Base

Consolidate @ 240-260koz

- **Complete open pit program** – rationalise fleet
 - **Review smaller operations** – operational pause at South Emu, Comet and Fender
 - **Comet and Fender** – drill and remodel for fast restart
 - **Rationalisation of mobile fleet** – reduce hire equipment
 - **Redeploy equipment and personnel** – from small mines to larger mines
-

Optimise

- **New Power and LNG Supply** – significant reduction in diesel consumption
 - **Variable speed fan rollout** – significant reduction in diesel consumption
 - **New Haulage agreement** – increased productivity
-

Review

- **Review consumption patterns and supply** – improve fiscal control and management reporting
 - **Review alternative supply options** – leverage our buying power
 - **Inventory** – review stocks, consolidate and review obsolescence items for disposal
-

Renegotiate

- **Review all business systems** – improve fiscal control and management reporting
- **Review all third-party contractor requirements** – and commercial agreements

Simplify the Operating Plan

FY22 Operational

Big Bell	At steady state
Bluebird	At steady state
Starlight	At steady state
Paddy's Flat	Operational
Open Pits	Operational
South Emu	Operational
Comet	Operational
Fender	In development



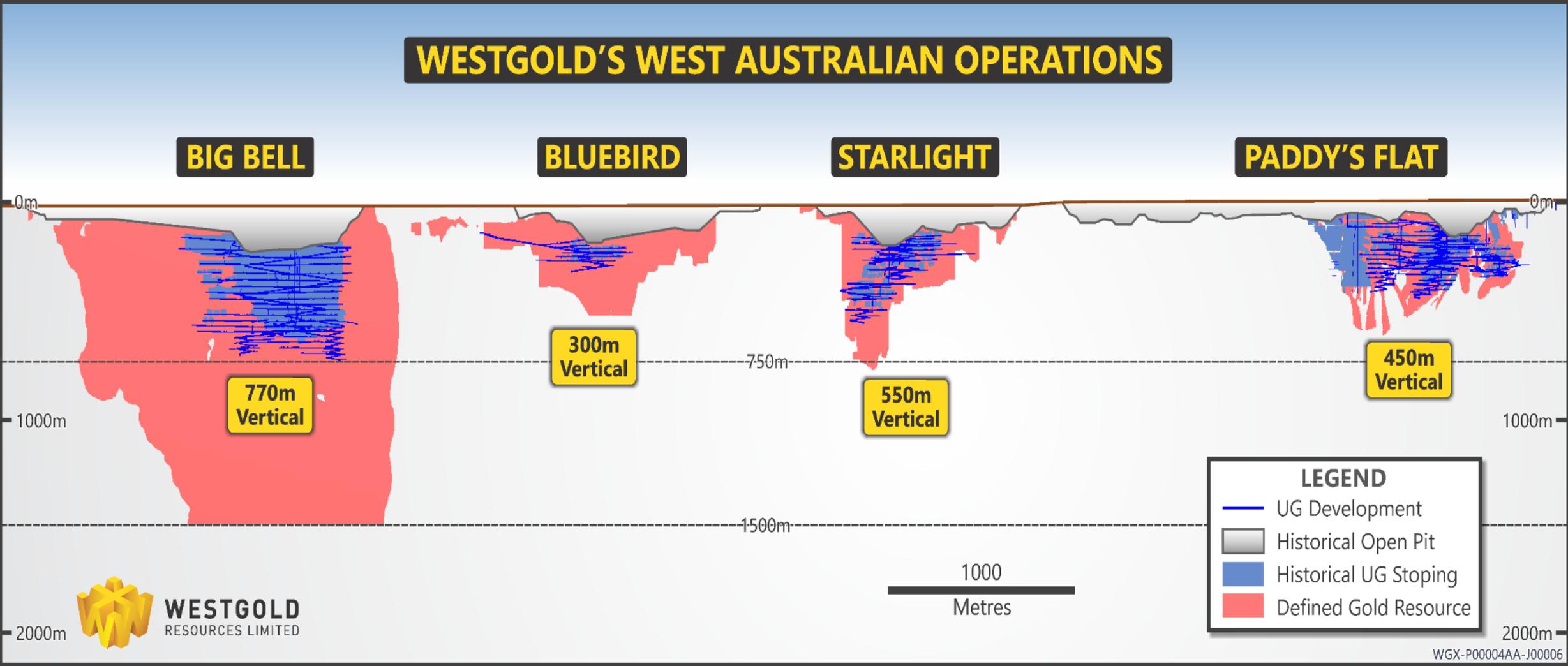
FY23 Operational

Big Bell	Expand
Bluebird	Expand
Starlight	Optimise
Paddy's Flat	Optimise
Open Pits	Monetize stocks

FY23 Reset

South Emu	Pause and drill
Comet	Pause and drill
Fender	Pause and drill

The Core Assets – Shallow and Bigger is Better



Cost Reduction - Power Project and Other Energy Savings

Power Generation

- Announced July – entered into agreement to convert 6 diesel power stations to 4 gas, solar and battery
- **Savings of greater than A\$100/oz (+A\$30M/yr)**
- Reduction in emissions by over 57% from the diesel powered generators, from the combination of cleaner fuel and renewables
- Pacific Energy will construct and operate the power stations
- CEFA will construct and operate the LNG storage, and provide gas from their facility at Mt Magnet

Ventilation on Demand – Secondary Ventilation

- **At Big Bell we have operated variable speed drives with a RFID system to create ventilation on demand**
 - For when vehicles require it
 - For the volume they require (different machines, different speeds)
- **Over the 6 months 1/1/22 – 30/6/22, at six drives with Smart-VOD and a VSD, when compared with tradition ventilation controls:**
 - realised energy savings of ~52.9%; or just over 1,500 Mwh
 - equivalent to ~400,000 litres of diesel saved and
 - ~1,070 tons of CO2 emission avoided

Other Energy Saving Projects

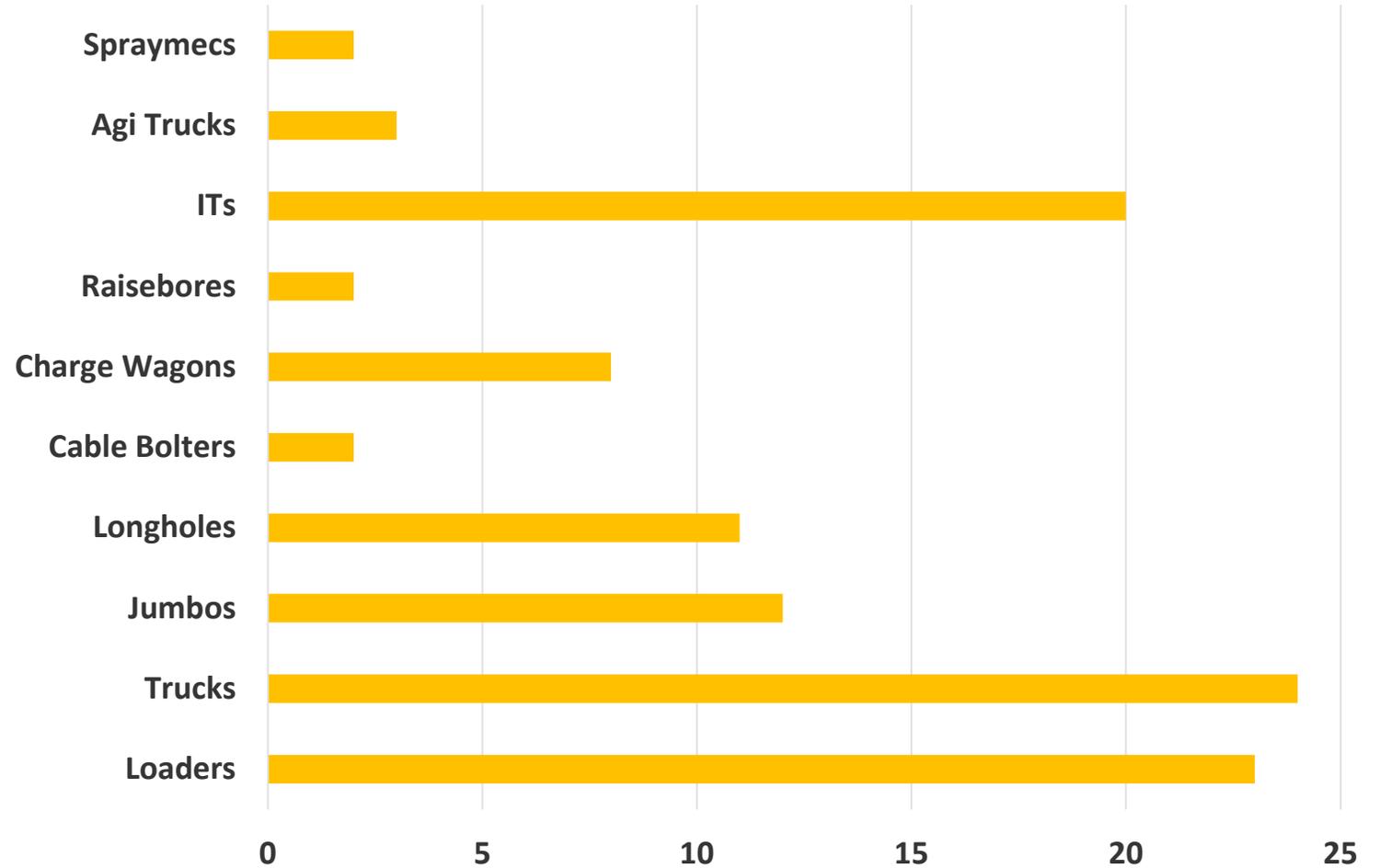
- Completed trials on Komatsu loaders – delivered **19L fuel saving/hr**
- Working with Komatsu on next gen machine
- **New 2900XE loader – hybrid diesel electric purchased**
- Preparing to undertake initial trials on solar and battery supplies for bore pumps
- Review of use of VSDs where practicable



Underground Capital – Modern Fleet and Team with Capability



Westgold UG Fleet Inventory





FY24

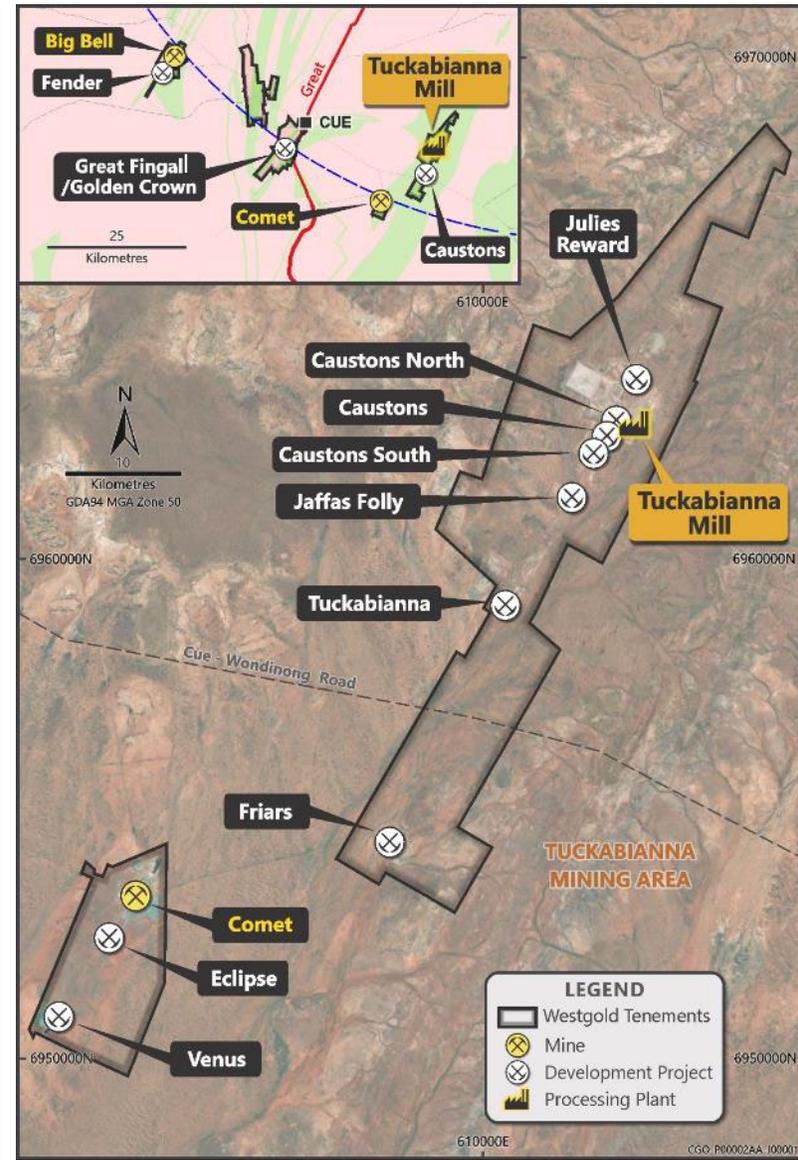
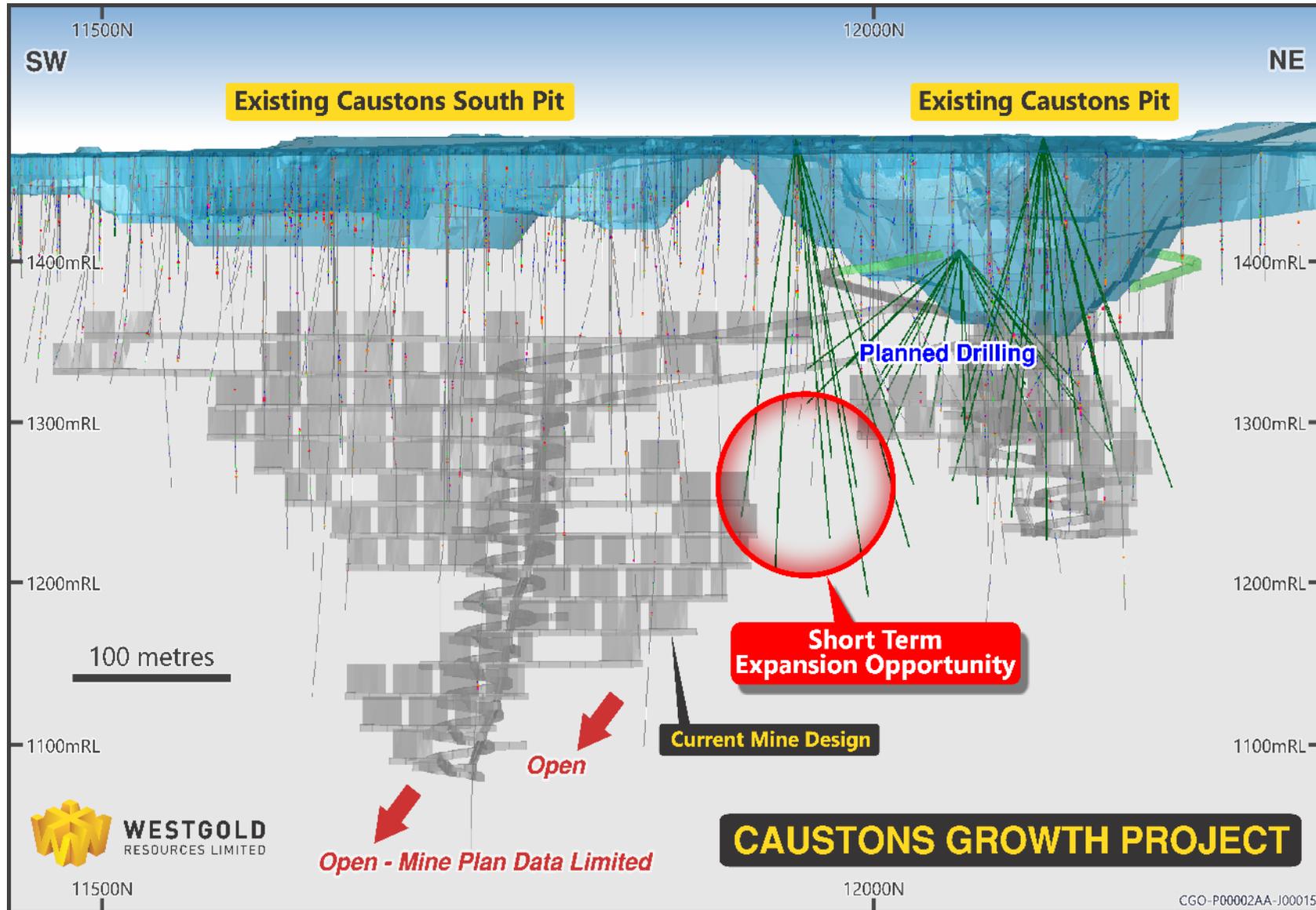
Growth and Profitability

The Runway into FY24

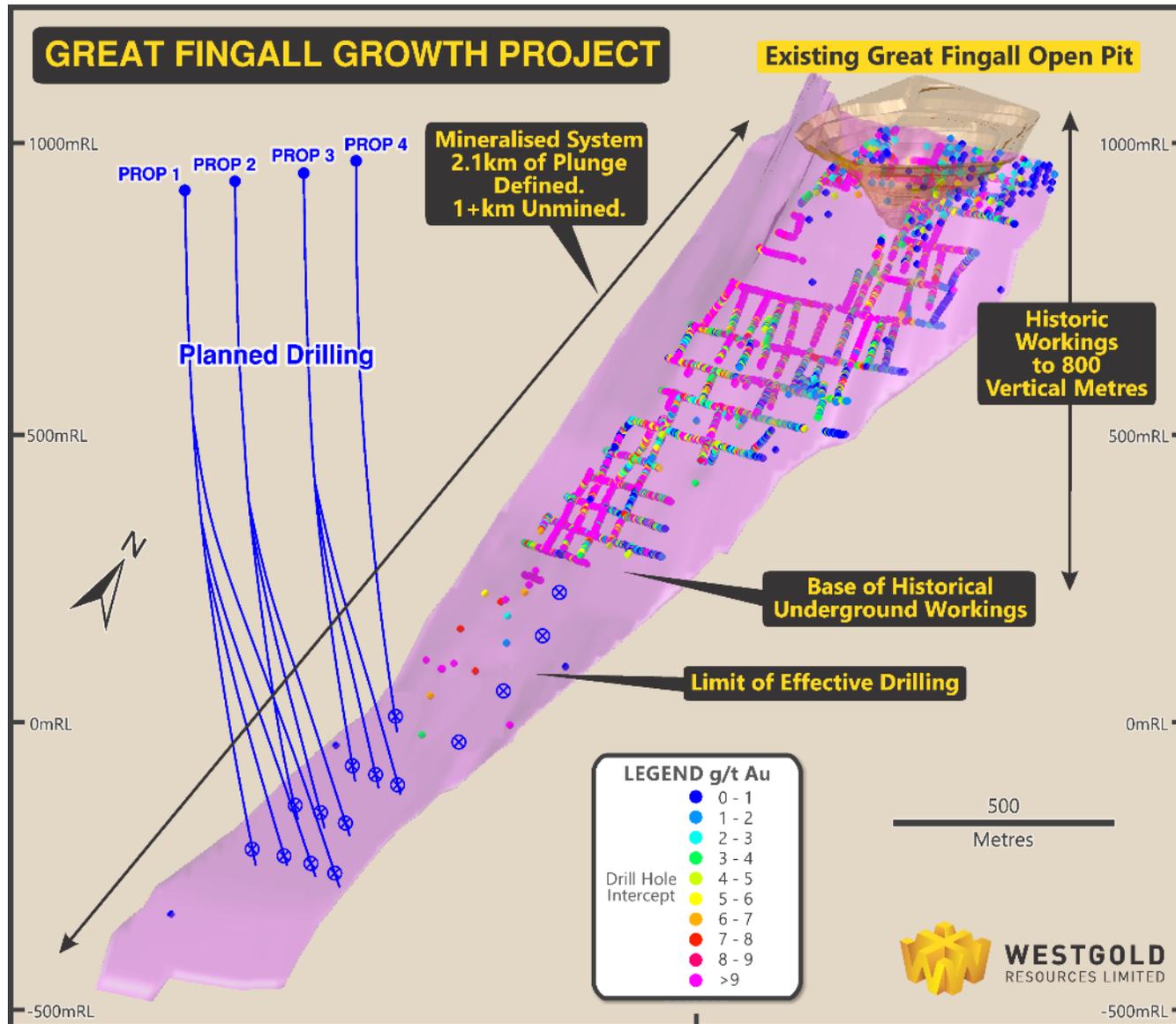


Murchison Operations	Status	Timing
Bluebird mine expansion to +55koz pa	Committed	Bluebird North bypass drive commenced; extensional drilling ongoing
Caustons Project	Committed	Caustons drilling commenced Q1, FY23
Sovereign	Committed	Stage 2 drilling commenced Q1, FY23
Great Fingall	Committed	Great Fingall drilling to commence Q2, FY23
Tuckabianna Mill Expansion Study	Complete	Success at Fingall and Caustons the decision driver for expansion
Bryah Operations	Status	Timing
Fortnum Mill expansion to ≈1Mtpa	Committed	Crusher ordered, engineering underway
Starlight resource expansion drilling	Committed	Phase 1 drilling underway

Caustons – Potential 40koz per Annum



Great Fingall – Potential 50koz per Annum



- 1.2Moz mined at 19.5g/t over 100 years ago
- Westgold 2019 drilling demonstrates system is continuous – and is mineralised to circa 1.5km depth
- Simple geology and geometry – proximate opportunities @ Golden Crown and Sovereign
- A 240m panel below the base of historic workings is adequately drilled

The Plan

- Drill next 250m of plunge to better define resources before committing to decline development
- From extended decline – target Great Fingall extensions only
- Eyes on the prize ≈20-25ktpm @ >5g/t Au
- Drilling to commence pending approval Q2, FY23

FY 23

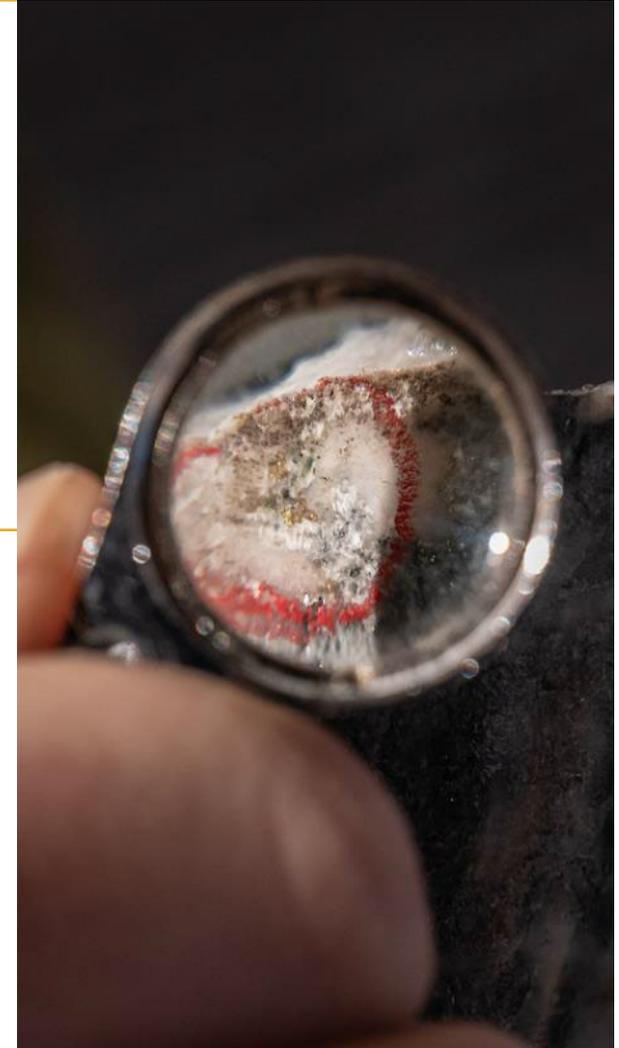
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- **Future proof the business** – reduce diesel use, introduce gas and renewables

Price Catalysts

What Success Looks Like

- **Exploration success** – invest in the drill bit
- **Operational delivery** – safe, efficient and productive
- **Enhanced profitability** – more firepower to grow
- **M&A** – market delivering opportunities





Need More Information?

Corporate and Investor Enquiries:

Wayne Bramwell – Managing Director
investor.relations@westgold.com.au



www.westgold.com.au