



ASX Announcement
4 September 2019

Castile Demerger Update

Westgold Resources Limited (**ASX:WGX**) (**Westgold**) is pleased to provide a further update on its plans to demerge its wholly owned subsidiary, Castile Resources Pty Ltd (**Castile**).¹

Castile holds Westgold's polymetallic assets in the Northern Territory, including the Iron-Oxide-Copper-Gold Rover 1 Project near Tennant Creek. Westgold is pleased to advise of the proposed Board of Directors of Castile pending its advancement to an independent listed company.

Westgold's Managing Director, Peter Cook said:

"I am delighted to act as the Non-executive Chairman of Castile in its formative years and in particular oversee the advancement drive to commercial production from an outstanding portfolio of polymetallic assets. Tennant Creek is steeped in Australian history as one of the highest grade goldfields with mines of bonanza grade. With the demerger of Castile we have the catalyst to finance more aggressive exploration and development activities which I hope will again put Tennant Creek back on the map of one of the great mining centres of Australia.

I am particularly pleased to have aggregated a dynamic team of highly skilled resource professionals with diverse expertise to oversee the company into the future. These are:

Peter Cook – Non-executive Chairman

Mark Hepburn – Managing Director

Jake Russell – Non-executive Director

John Braham – Non-executive Director"

Remuneration details will be disclosed in the upcoming info-memoranda to be circulated with shareholding voting details for the demerger. A brief biography for each director is appended to this release.

Also attached to this release is a presentation to be made on this date at the "Mining in the Territory – 2019" which is being held in Darwin. This presentation provides summary detail of the assets of Castile. Substantially more detail will follow with the formal demerger documents including an independent technical assessment report on the assets of Castile and other prospectus type disclosure.

The demerger of Castile and the proposed complete in-specie distribution on a 1 for 4 basis is planned for the benefit of Westgold shareholders only at a future record date (to be determined). The ongoing funding for Castile is intended to be raised by a 1 for 1 entitlements issue to shareholders of Castile post the demerger process. The entitlement issue is expected to be underwritten with no external funds raised outside of this process. Following the completion of these steps Castile intends to list on the ASX and trade independently of Westgold. Castile and Westgold will agree a demerger- separation agreement such that Castile is afforded support from Westgold for a six month transitional period.

The potential demerger of Castile is contingent on shareholder approval, satisfactory tax guidance being received from the ATO regarding the tax implications for Westgold shareholders and final approval from Westgold's Board of Directors. Westgold reserves the right to amend the proposed terms of, or not proceed with, the demerger and entitlement issue in its absolute discretion.

The statements contained in this announcement and the attached presentation reflect the views of Westgold as at the date of this presentation and may be subject to change.

¹ To be converted to a public company.

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Biographies of Proposed Directors:

Peter Cook – Non-executive Chairman

Peter is a geologist BSc (App Geol 1983), mineral economist (MSc Min Econ 1995 WASM) and highly experienced veteran of the Australian resource sector. He is currently the Managing Director of Westgold Resources Ltd and has more than a decade of association with Castile and its assets.

Peter has substantial experience in the exploration, development, mining, construction, permitting and financing of development projects within Australia as well as the corporate management of listed public company's.

Mark Hepburn – Managing Director

Mark has a degree in Economics and Finance (B.Econ. & Fin 1992 UWA) and has been a member of the Australian Institute of Company Directors since 2008.

He has significant experience in the management and corporate development of public companies, their interaction with small, institutional investors and their servicing through communication, promotion and management.

Mark brings substantial market aptitude and the critical marriage between the risk aspects of exploration and development, with the intricacies of capital markets.

Mark is also a Non-Executive Director of ASX listed lithium and gold explorer Mali Lithium after an acting role as CEO where he oversaw the company's refinancing and corporate re-structuring. He was also on the board of ASX listed Indonesian gold developer Sihayo Resources until November 2018.

Jake Russell – Non-Executive Director

Jake is a geologist B.Sc. (Hons) MAIG with circa 20 years of experience in exploration, mining, resource development and management. He is currently the group Chief Geologist of Westgold Resources Limited and prior to its demerger from Metals X Limited, he was the Group Chief Geologist of Metals X.

Jake brings Castile a second to none knowledge of the assets of Castile and a high degree of technical expertise in their exploration, resource development and exploitation.

John Braham – Non-executive Director

John is an experienced Mining Finance and Investment professional having a 24 year career with Macquarie Bank until 2017. For the last 11 years of his service he was an Executive Director and co-head of Macquarie's Global Mining and Finance Division.

John has vast experience in the provision of debt and equity to mining, exploration and development companies, worldwide. He brings Castile a set of finance and corporate skills to greatly assist with its future financing and development needs.

Since November 2018, John has served as Managing Director of the ASX listed and South American focussed Equus Mining Limited.

Enquiries

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CASTILE
RESOURCES LIMITED



Compliance & General Disclaimer



JORC COMPLIANCE STATEMENT

Competent Persons Statements

- The information in this report that relates to Exploration Results and Mineral Resources and Exploration Data is based on information compiled Mr Jake Russell B.Sc. (Hons) MAIG who has sufficient experience which is relevant to the styles of mineralization, the types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Editions of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012)”.
- All consent to the inclusion in this report of the matters based on his information in the form and context in which it appears. All are full time senior employees of the Company and are 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.

Exploration and Production Target Statements

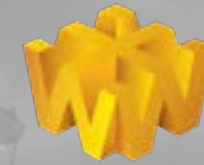
- The information in this report that relates to exploration targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Production targets and mine designs are presented with the best of the knowledge and situation at this point in time and may change in the future.

General Disclaimer

- This presentation has been prepared by Westgold Resources Limited (“Westgold” or the “Company”) for and behalf of its wholly owned subsidiary, Castile Pty Ltd. It should not be considered as an offer or invitation or inducement to subscribe for or the purchase of any securities in the Company. This presentation contains forecasts and forward looking statements. Such forecasts, projections and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied. Westgold has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, Westgold makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.
- This overview of Castile does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company’s prospects.
- You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

Westgold is a Top-10 domestic gold producer with a Market Cap of ~\$800m

Castile is a wholly owned subsidiary of Westgold Resources Limited



WESTGOLD
RESOURCES LIMITED



100%



CASTILE
RESOURCES LIMITED

Westgold produces gold from three projects in the Murchison Region of Western Australia



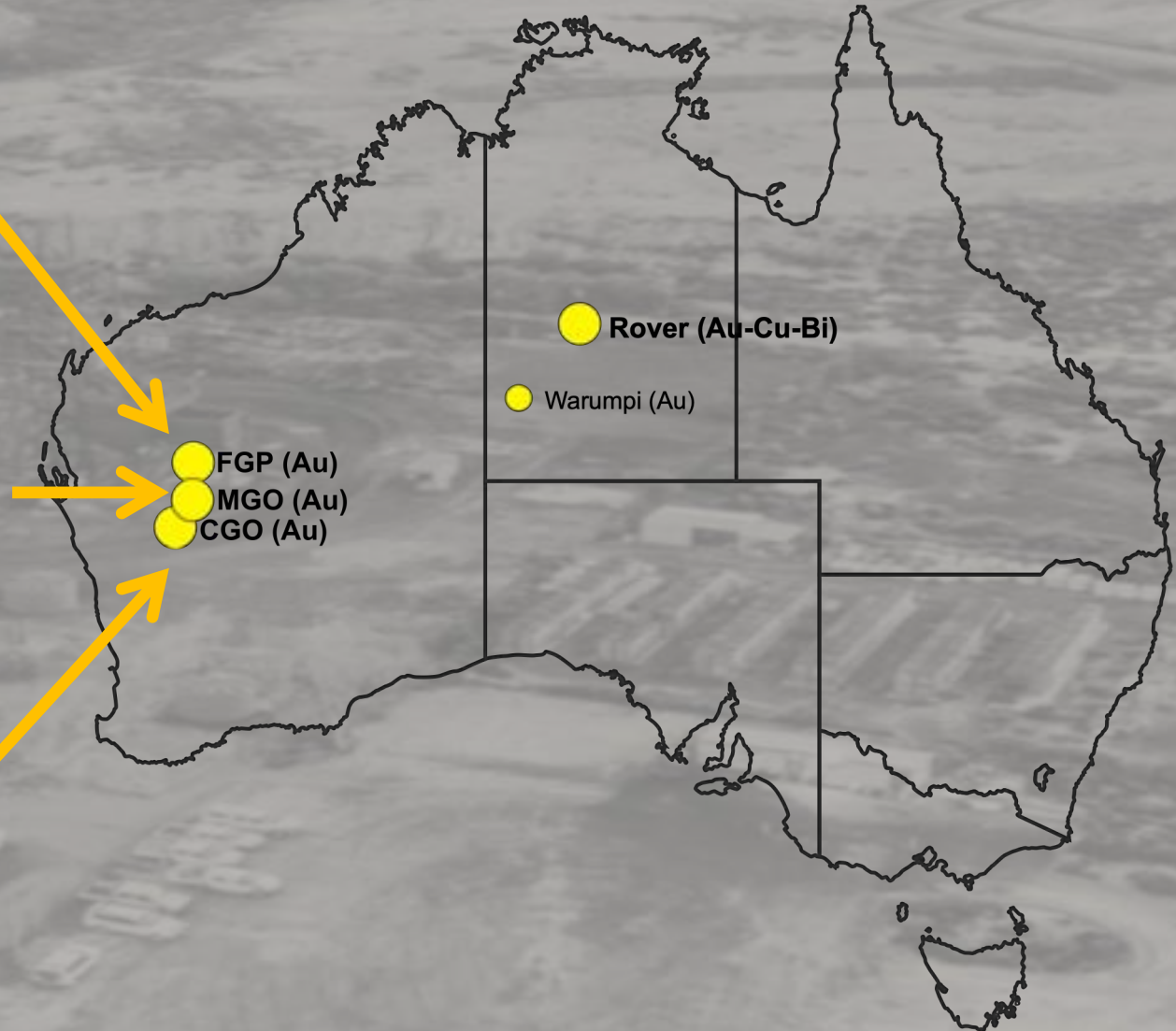
FORTNUM
0.9 – 1.0 Million TPA
65 – 70,000 ozpa



BLUEBIRD
1.4 – 1.6 Million TPA
110 – 120,000 ozpa



TUCKABIANNA
1.2 – 1.4 Million TPA
100– 110,000 ozpa



Westgold also owns exploration and development assets in the NT.

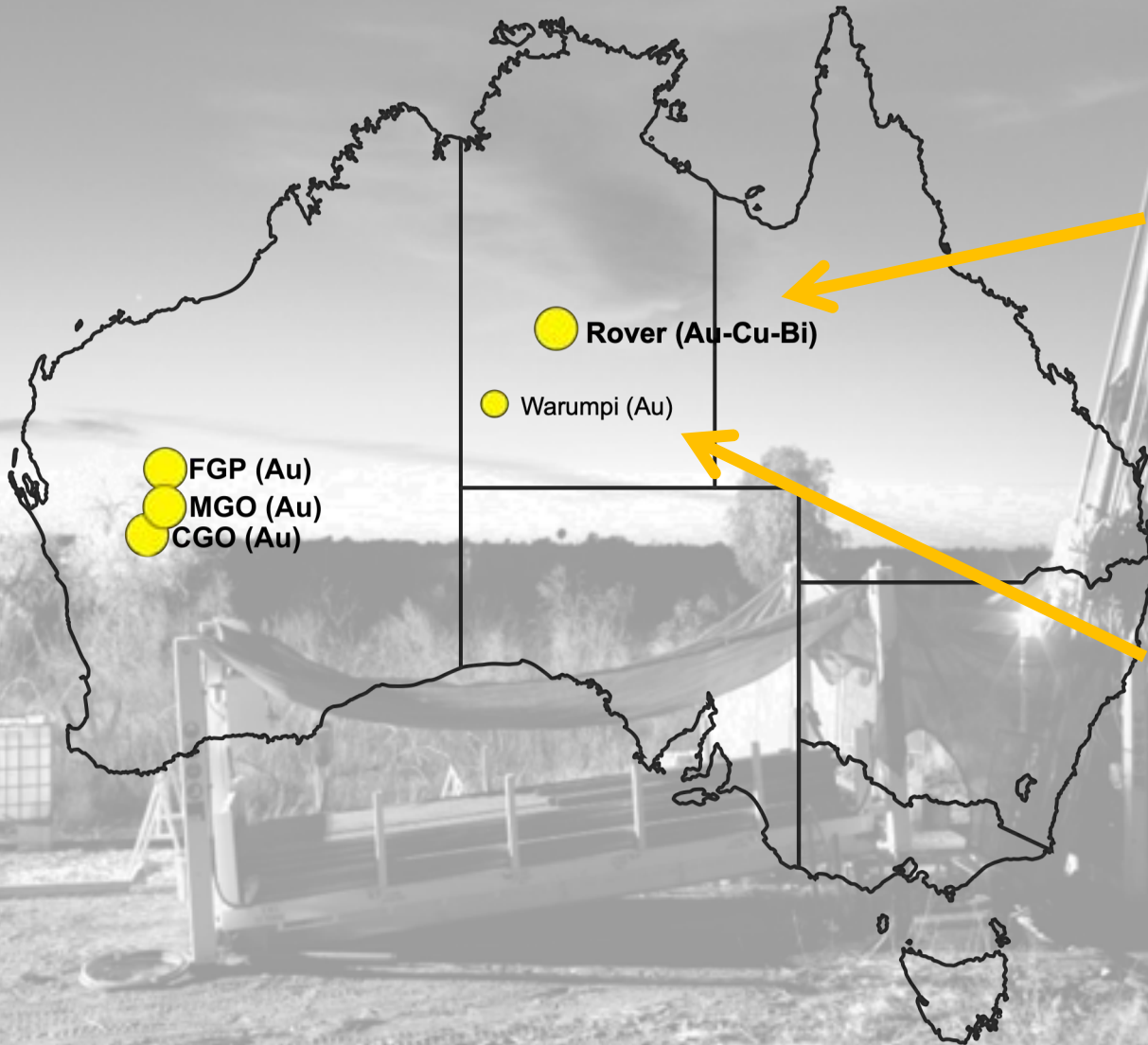


CASTILE
RESOURCES LIMITED

Rover Project
Tennant Creek



Warumpi Prospect
West Arunta





WESTGOLD
RESOURCES LIMITED

1:4 In-specie Distribution

**1:1 Entitlements Issue
(underwritten)**

Shares on Issue

Net Working Capital



CASTILE
RESOURCES LIMITED



97.3 million shares

97.3 million shares

194.6 million shares

\$18 million

Funded to Explore & Develop

Note: The potential demerger of Castile is contingent on shareholder approval, satisfactory tax guidance being received from the ATO regarding the tax implications for Westgold shareholders and final approval from Westgold's Board of Directors. Westgold reserves the right to amend the proposed terms of, or not proceed with, the demerger and entitlement issue in its absolute discretion.

THE PORTFOLIO



The Rover Regional Project

Development Ready Cu-Au-Bu-Co



The Rover 1 Prospect

Advanced Exploration Cu- Au



The Rover 1N & 4 Prospects

Advanced Exploration Pb-Zn-Ag



The Explorer 108 Prospect

Advanced Exploration Cu- Au



The Explorer 142 Prospect

Greenfields Exploration Cu- Au



Numerous Untested Targets

Greenfields Exploration Cu- Zn



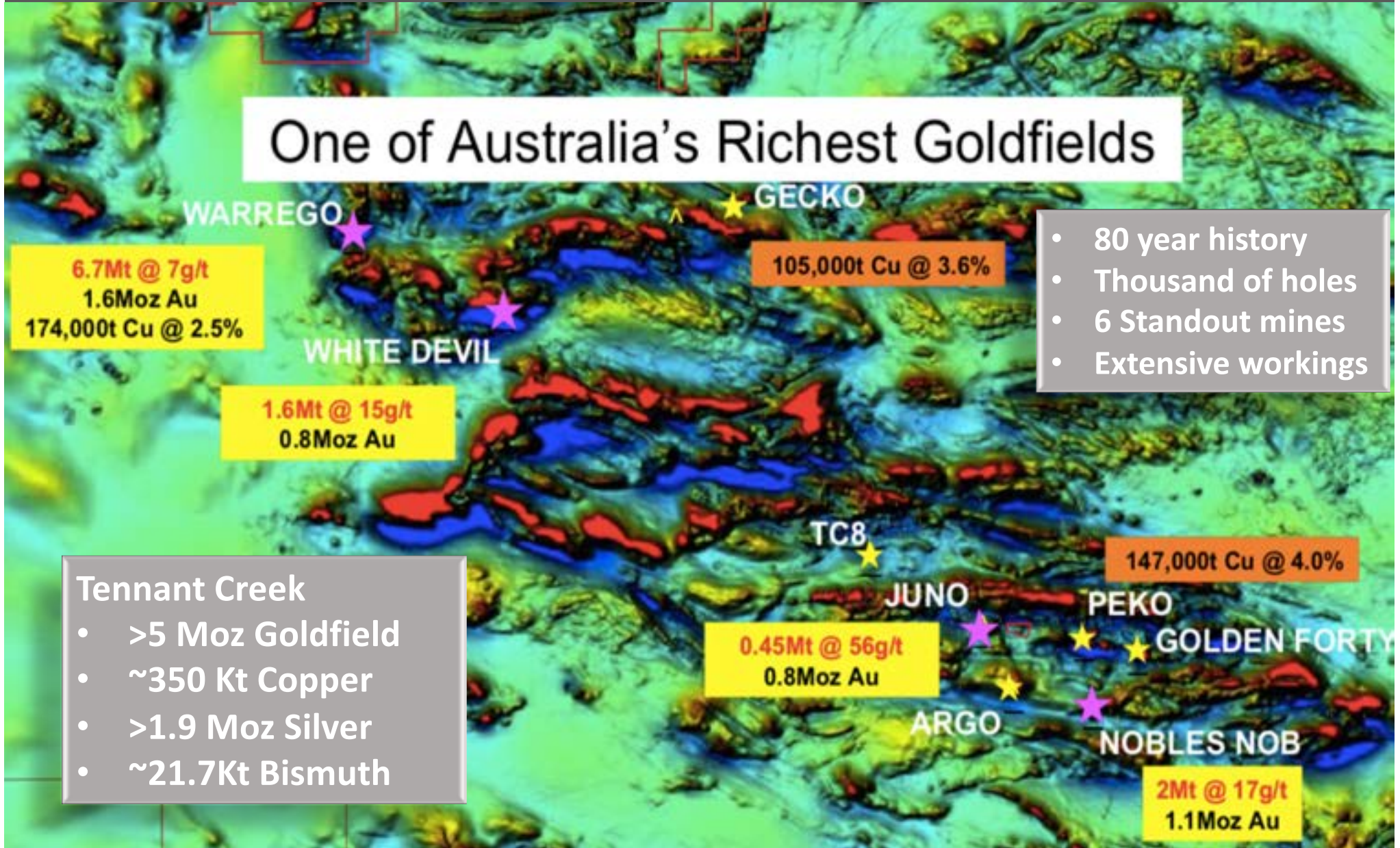
The Warumpi Prospect

THE ROVER REGIONAL PROJECT



The Tennant Creek Goldfield

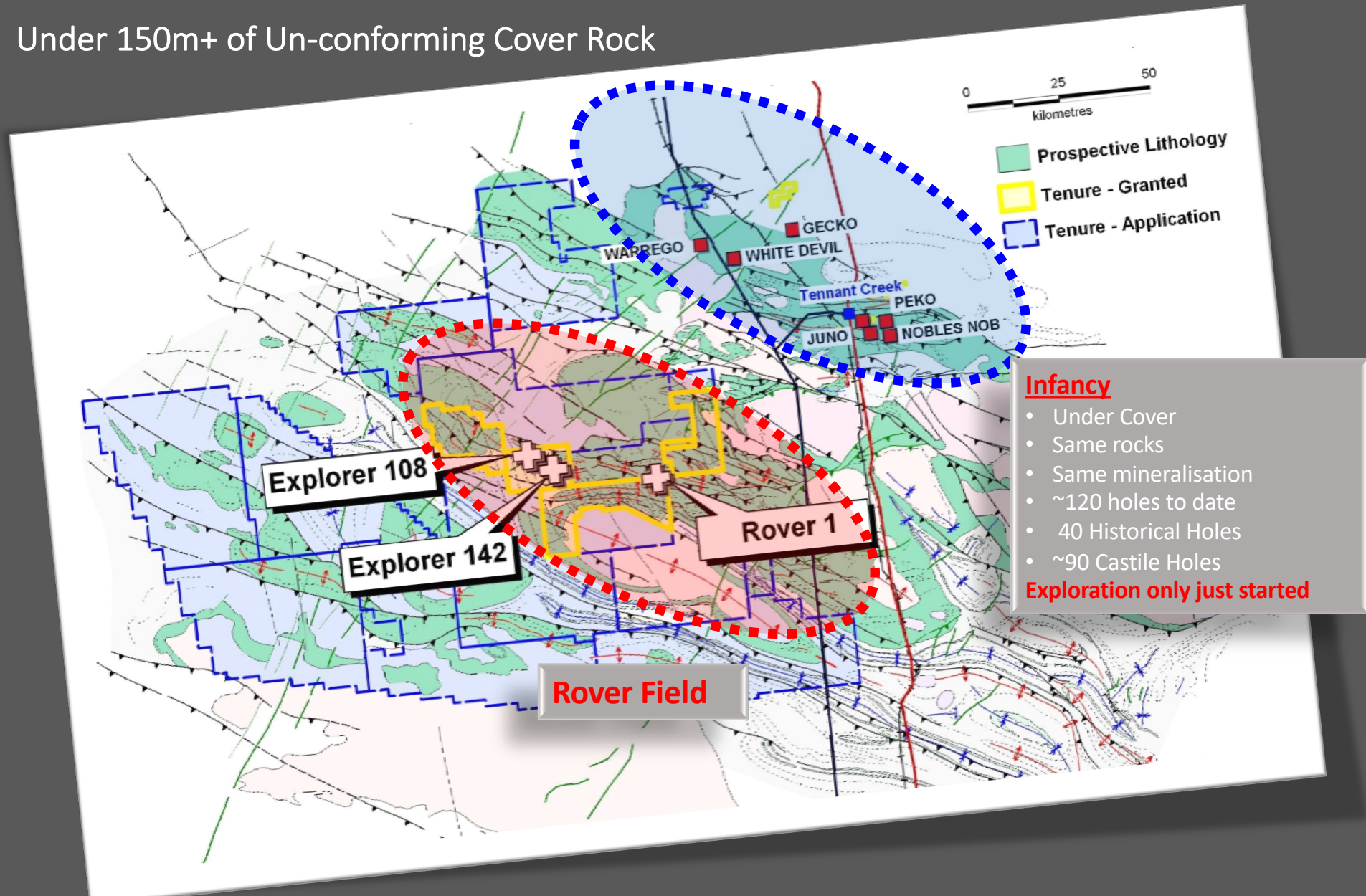
One of Australia's Richest Goldfields



THE ROVER REGIONAL PROJECT

Prospective + Untouched Mirror Image of Tennant Creek

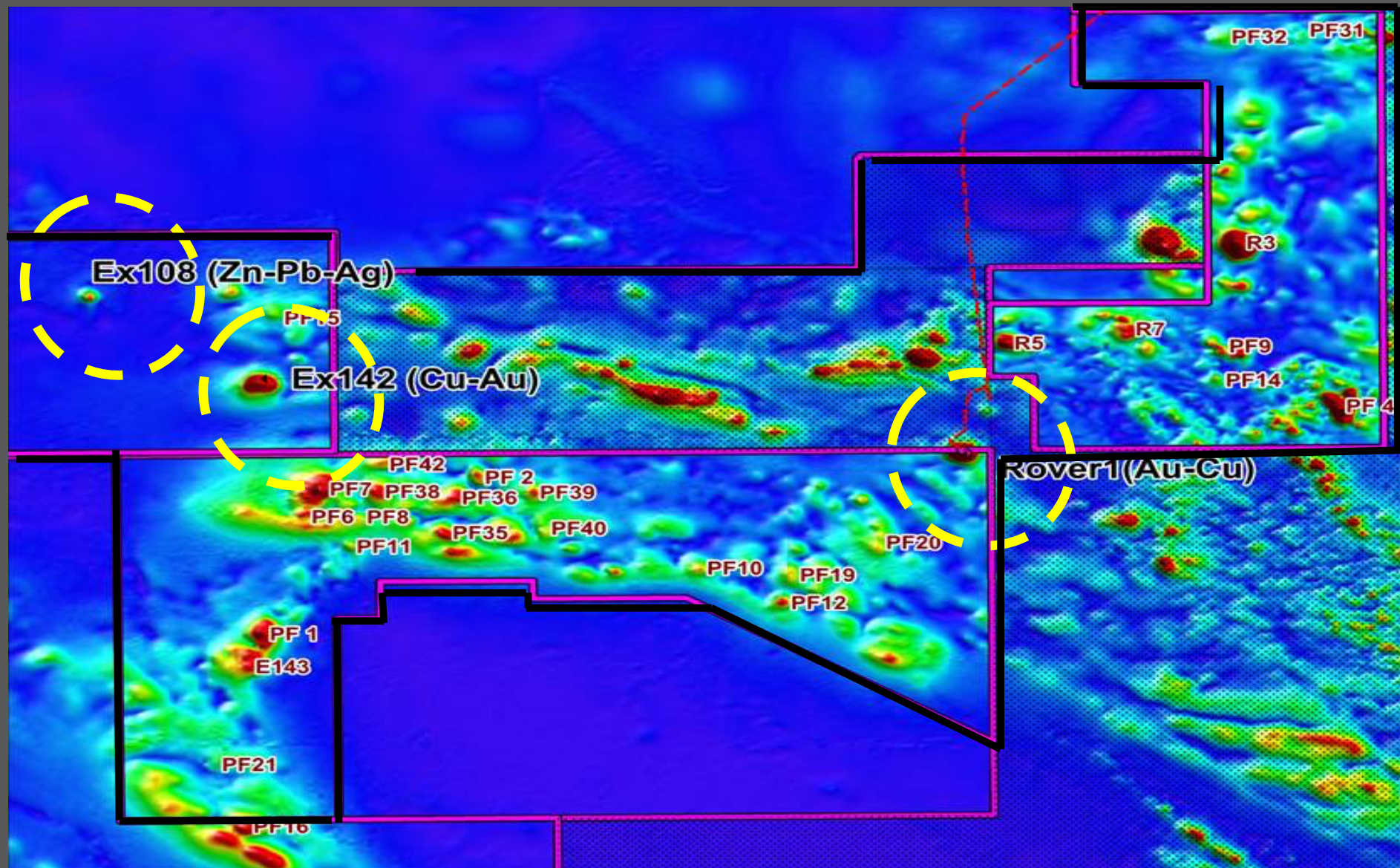
Under 150m+ of Un-conforming Cover Rock



THE ROVER REGIONAL PROJECT

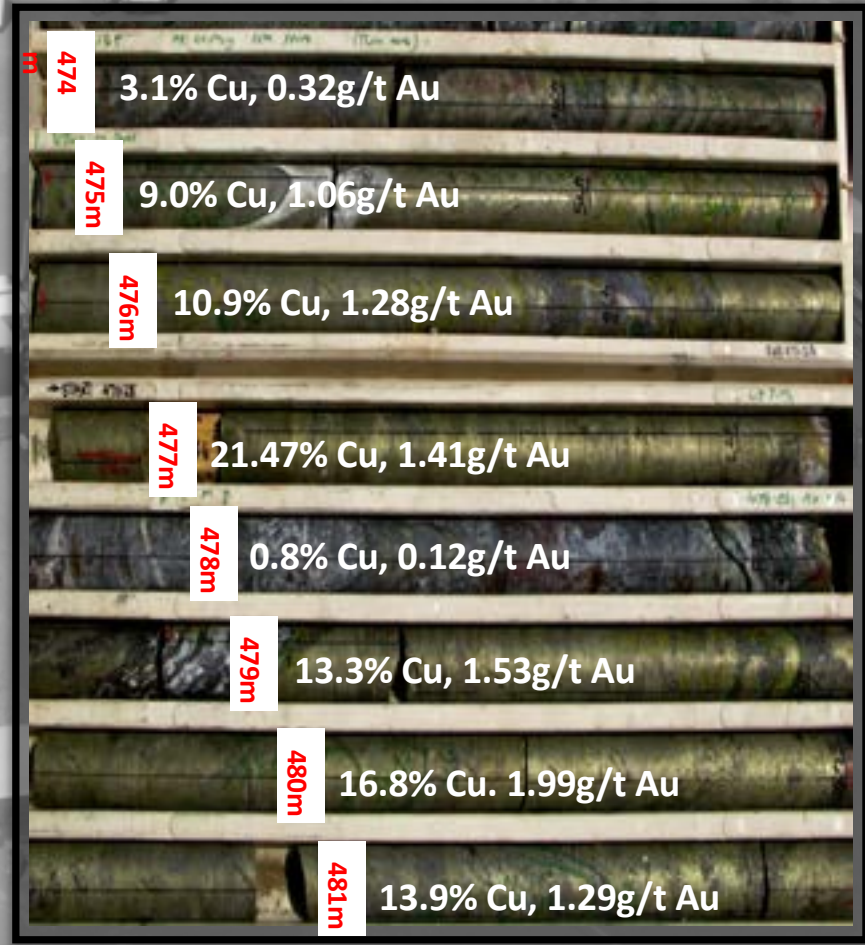
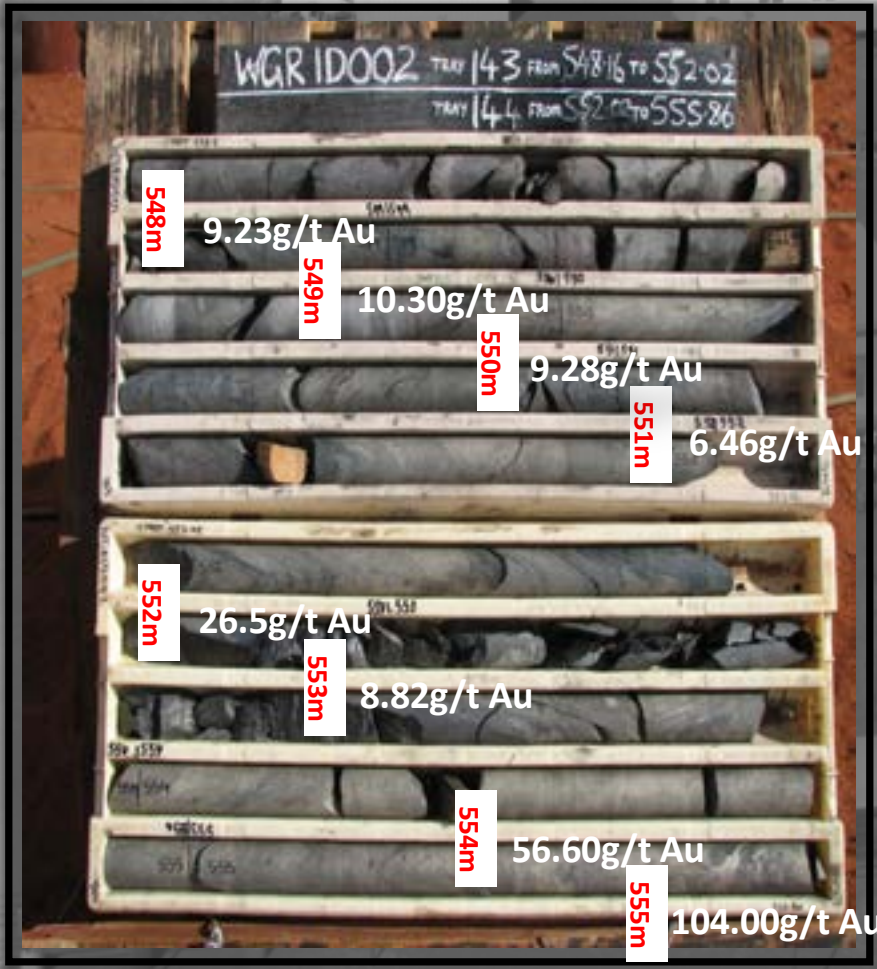


Coincident Magnetic & Gravity Anomalies



ROVER 1 PROSPECT

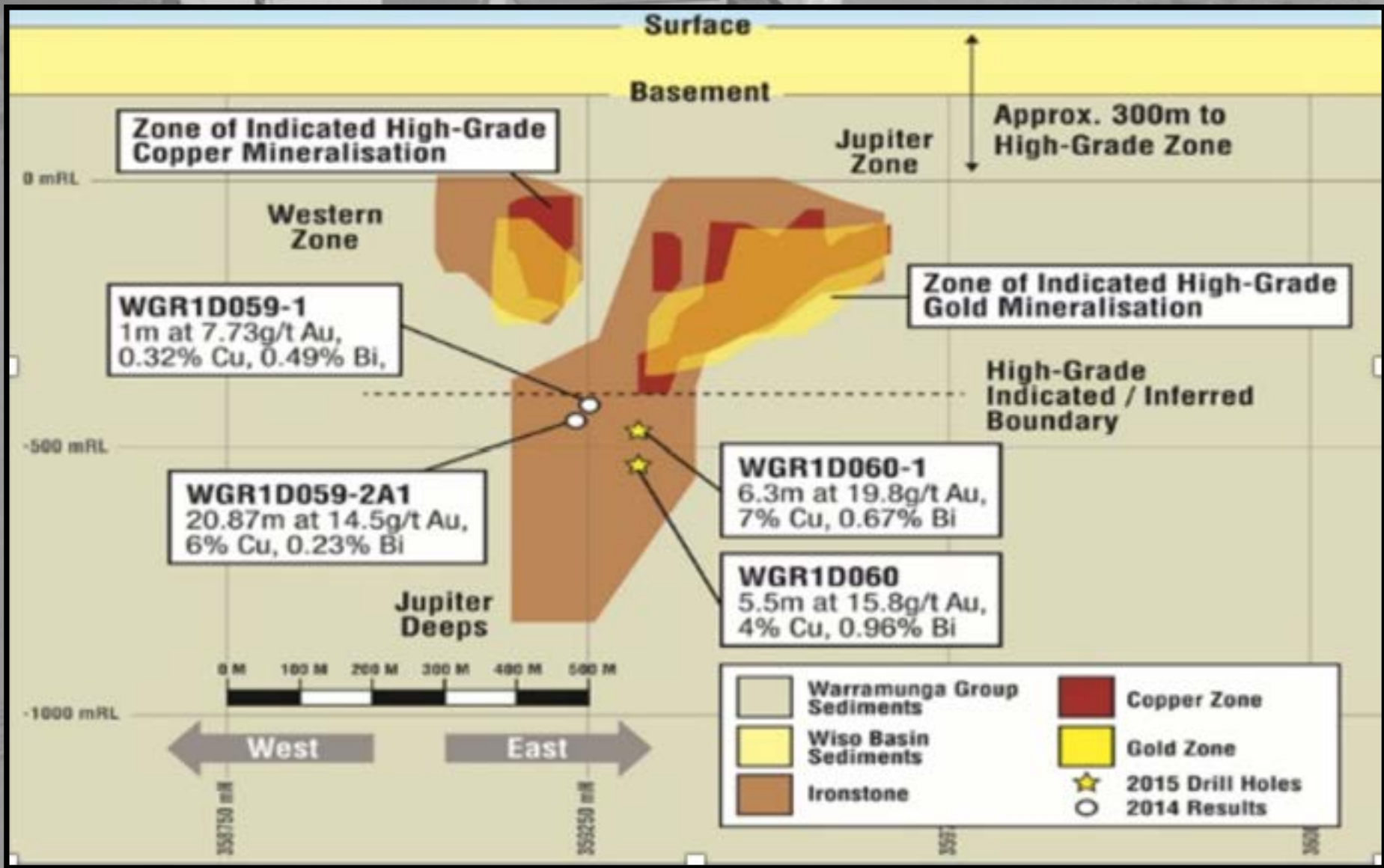
Targeting High Grade – IOCG Mineralisation



Bonanza Gold intercepts 15.75m @ 29.4g/t Au
 High Grade Copper 21m @ 6.9% Cu, 0.9g/t Au*

ROVER 1 PROSPECT

Targeting High Grade – IOCG Mineralisation

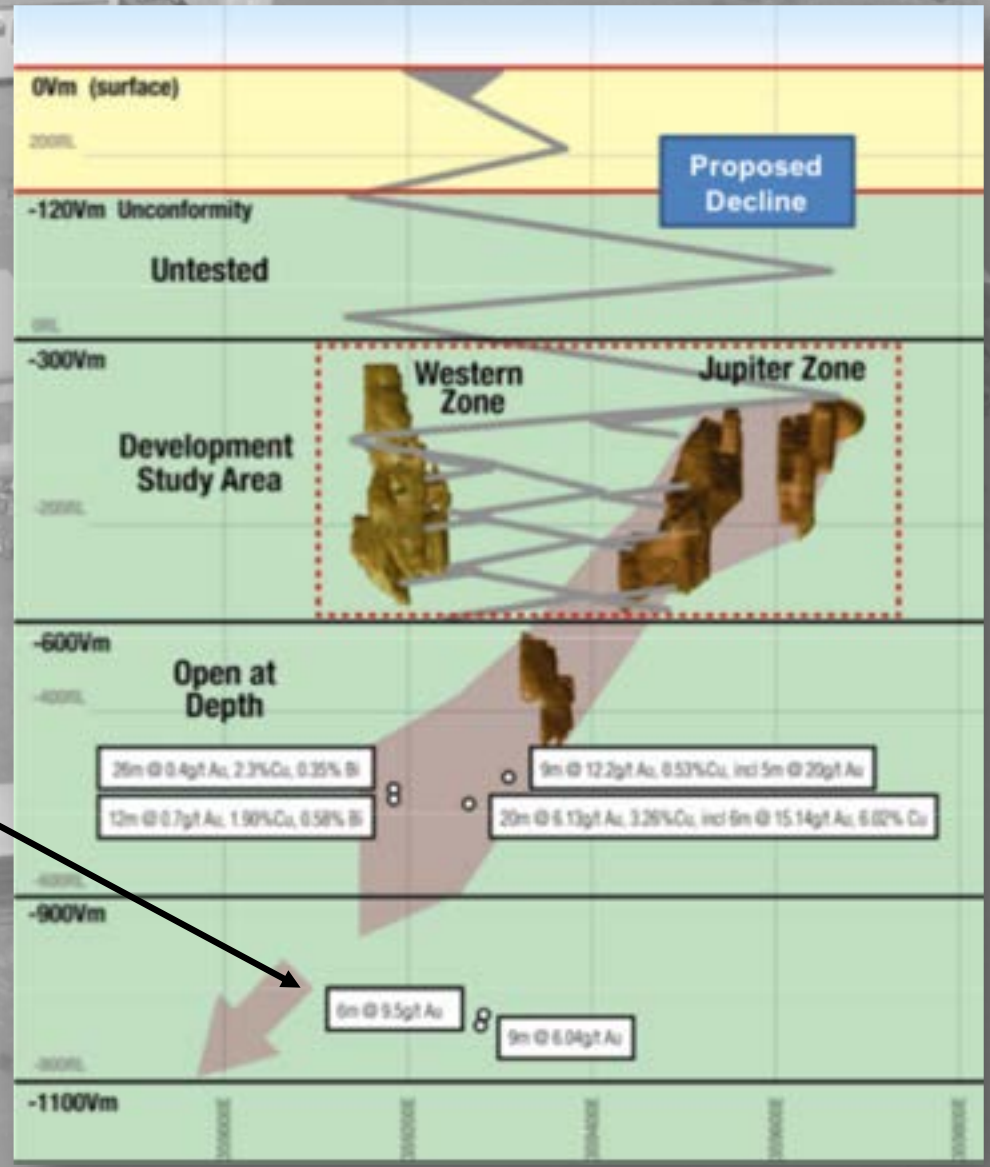


ROVER 1 PROSPECT

“She’s got leg’s!!”

Southern Zone (not included in resource)

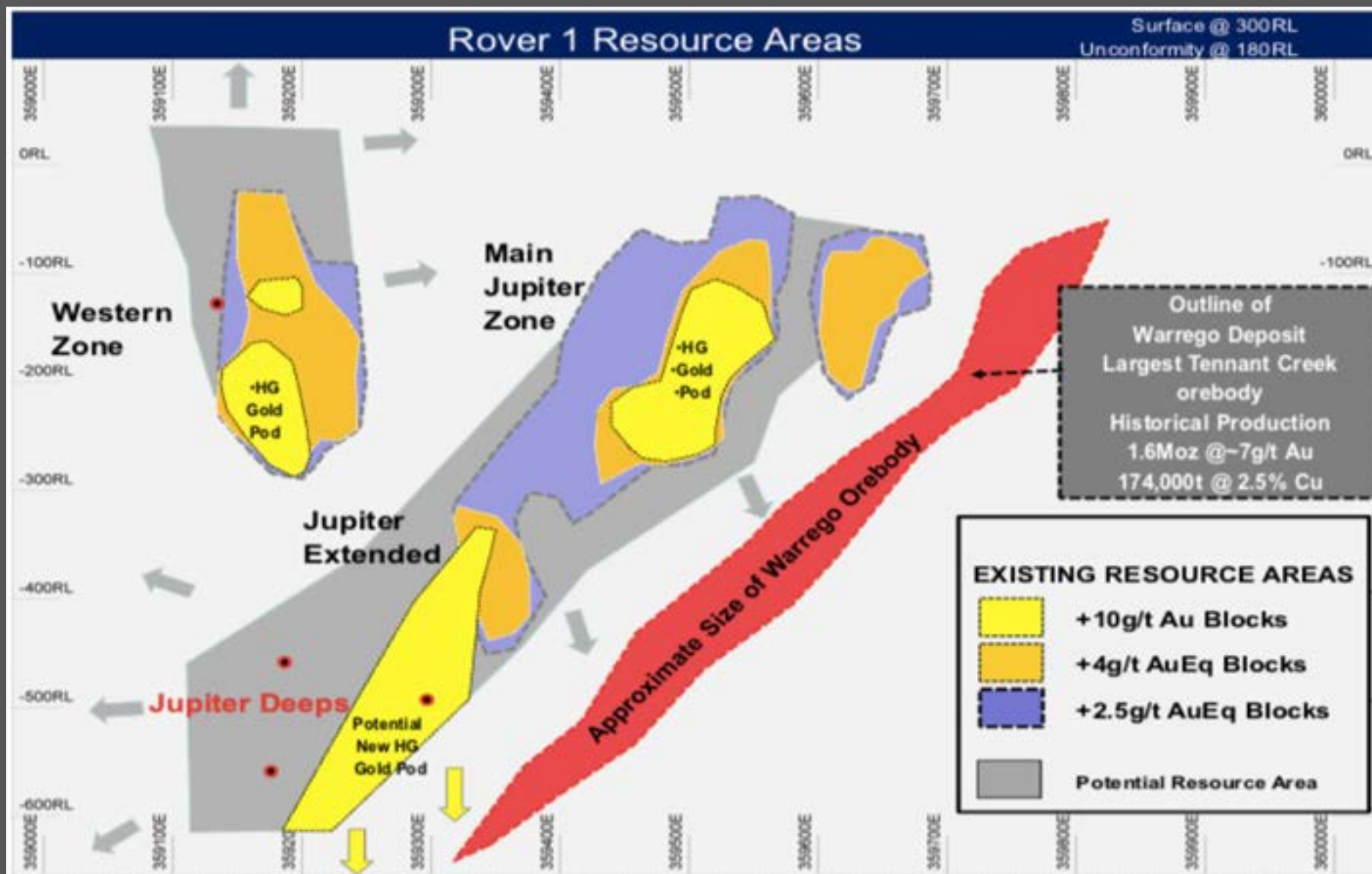
- 1 DDH to date
- includes 2m@9.7, 2m@11.3, 6m@9.6, 9m@6.0 g/t Au
- Potential for entire new parallel plunging shoot



ROVER 1 PROSPECT



Shaping as a Warrego “look-alike”



ROVER 1 PROSPECT

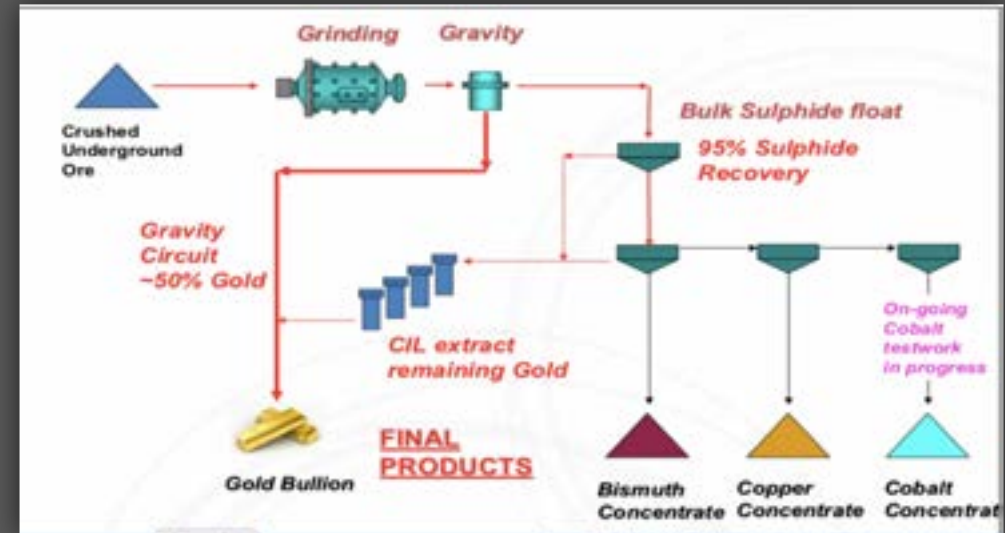


Mineral Resource Estimate

High-grade polymetallic mine.

Simple metallurgy.

One Plant – multiple orebodies.



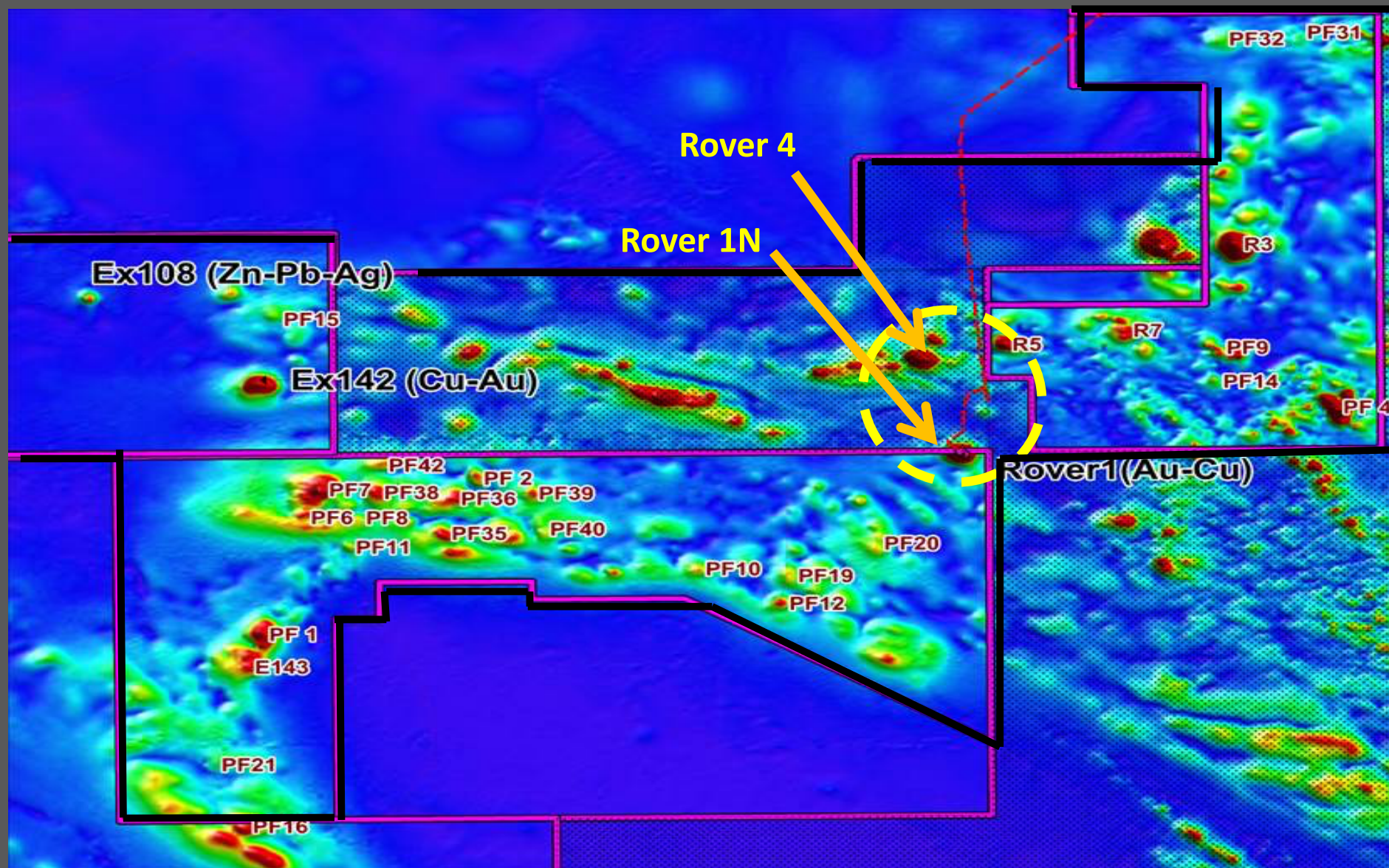
Classification	Tonnes (Millions)	AuEq g/t*	Au g/t	Ag g/t	Bi %	Co %	Cu %	AuEq Oz*
Indicated	3.62	6.59	1.49	2.13	0.17	0.05	1.06	580,696
Inferred	3.28	4.89	2.02	2.00	0.10	0.07	1.36	640,404
Total	6.90	5.57	1.74	2.07	0.14	0.06	1.20	1,220,274

2.5 g/t Au- Equivalent cut-off : (Au Equivalent = Au + (Ag X 0.0136) + (Bi x 4.6753) + (Co x 13.091) + (Cu x 1.9783)

THE ROVER REGIONAL PROJECT



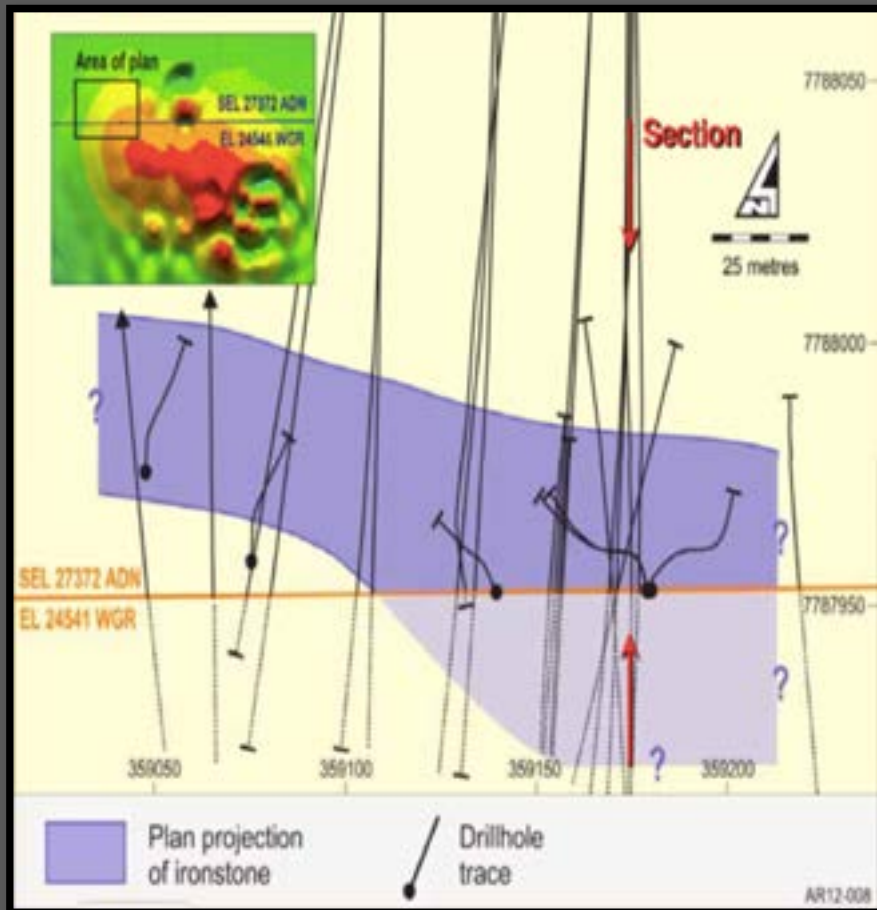
Regional Consolidation



ROVER 1 N



“Tidying up for Development”



Plan

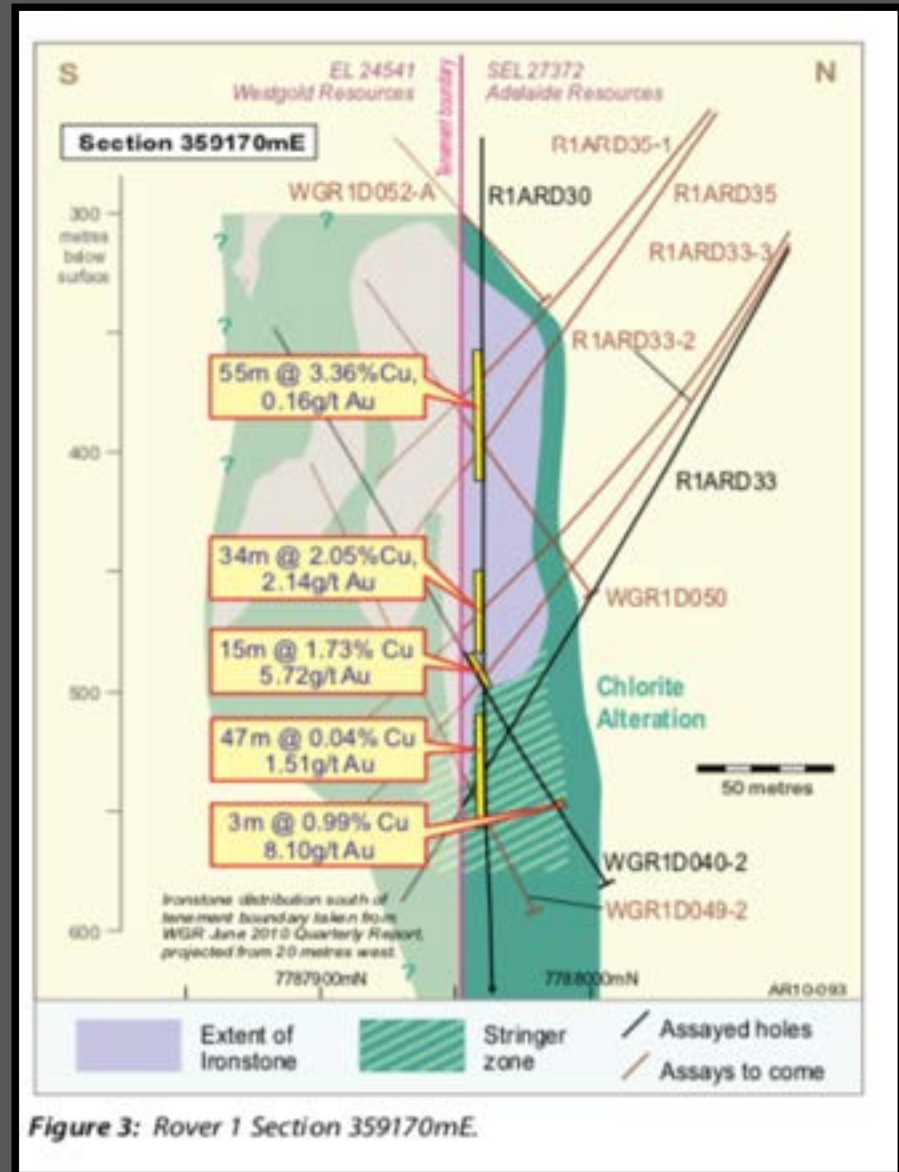


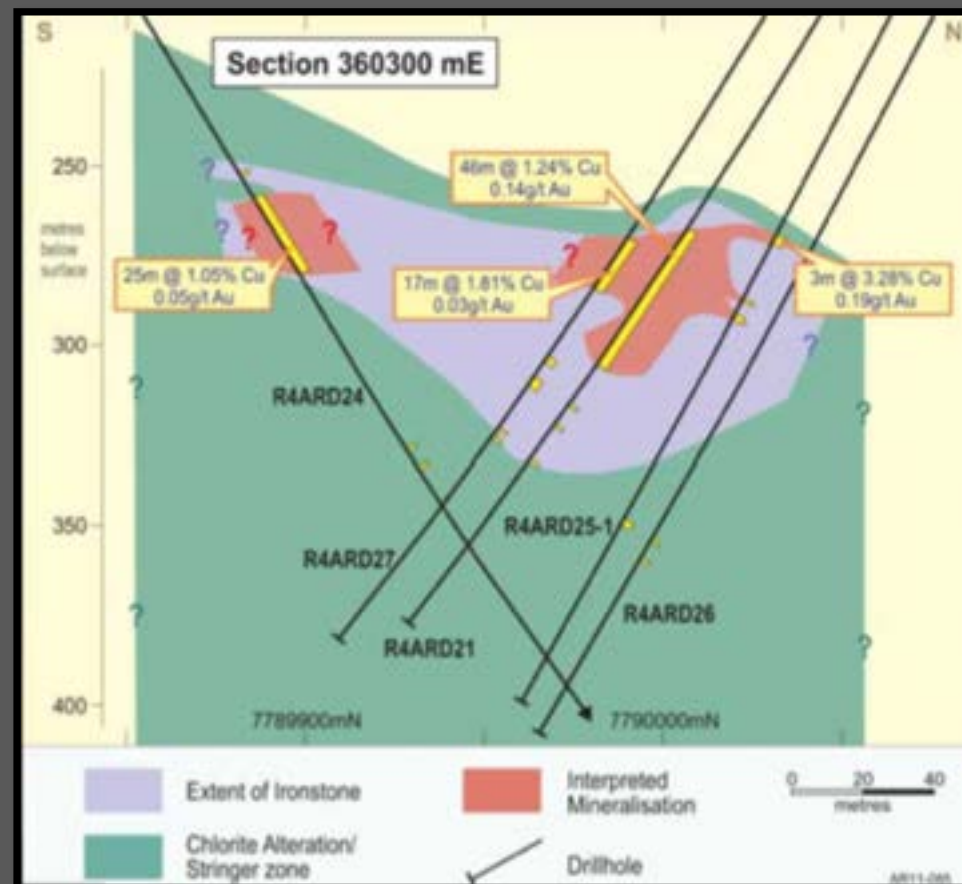
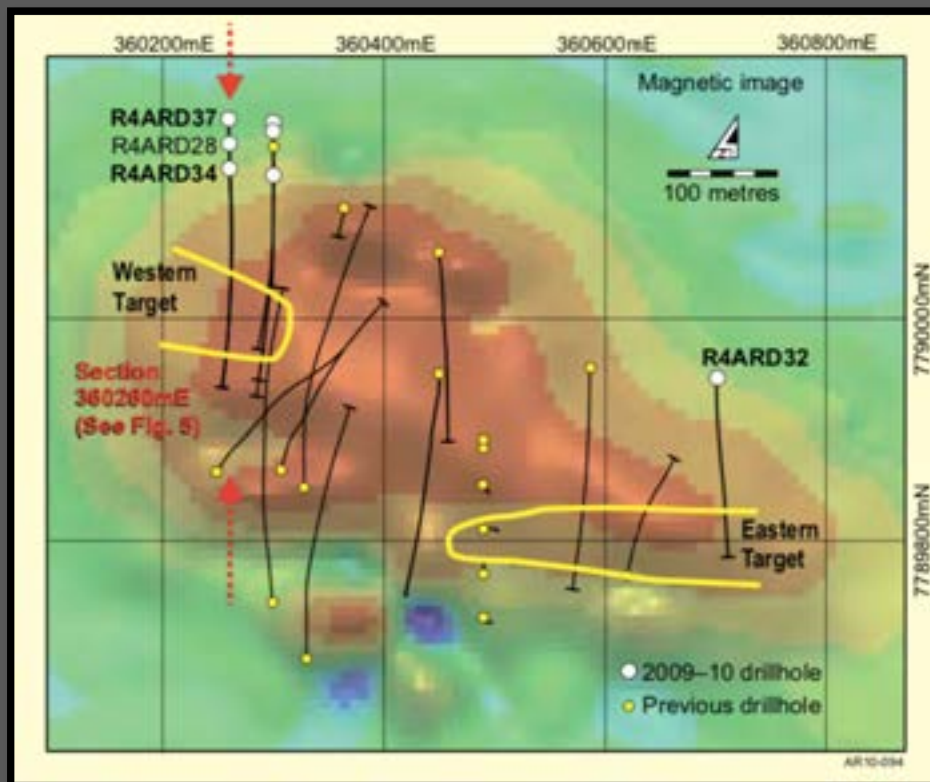
Figure 3: Rover 1 Section 359170mE.

Section

ROVER 4



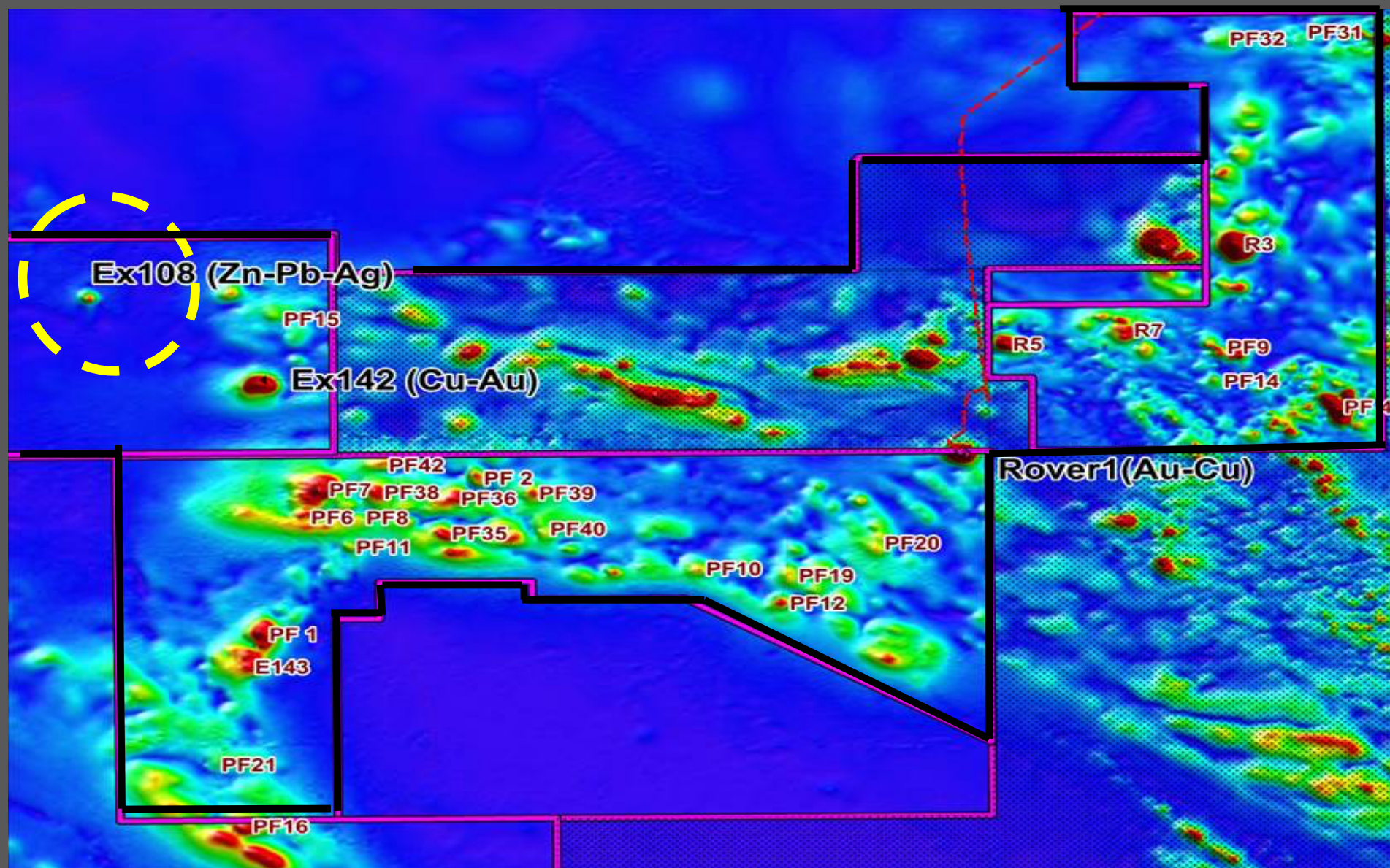
“Another early stage target with nice results!”



THE ROVER REGIONAL PROJECT



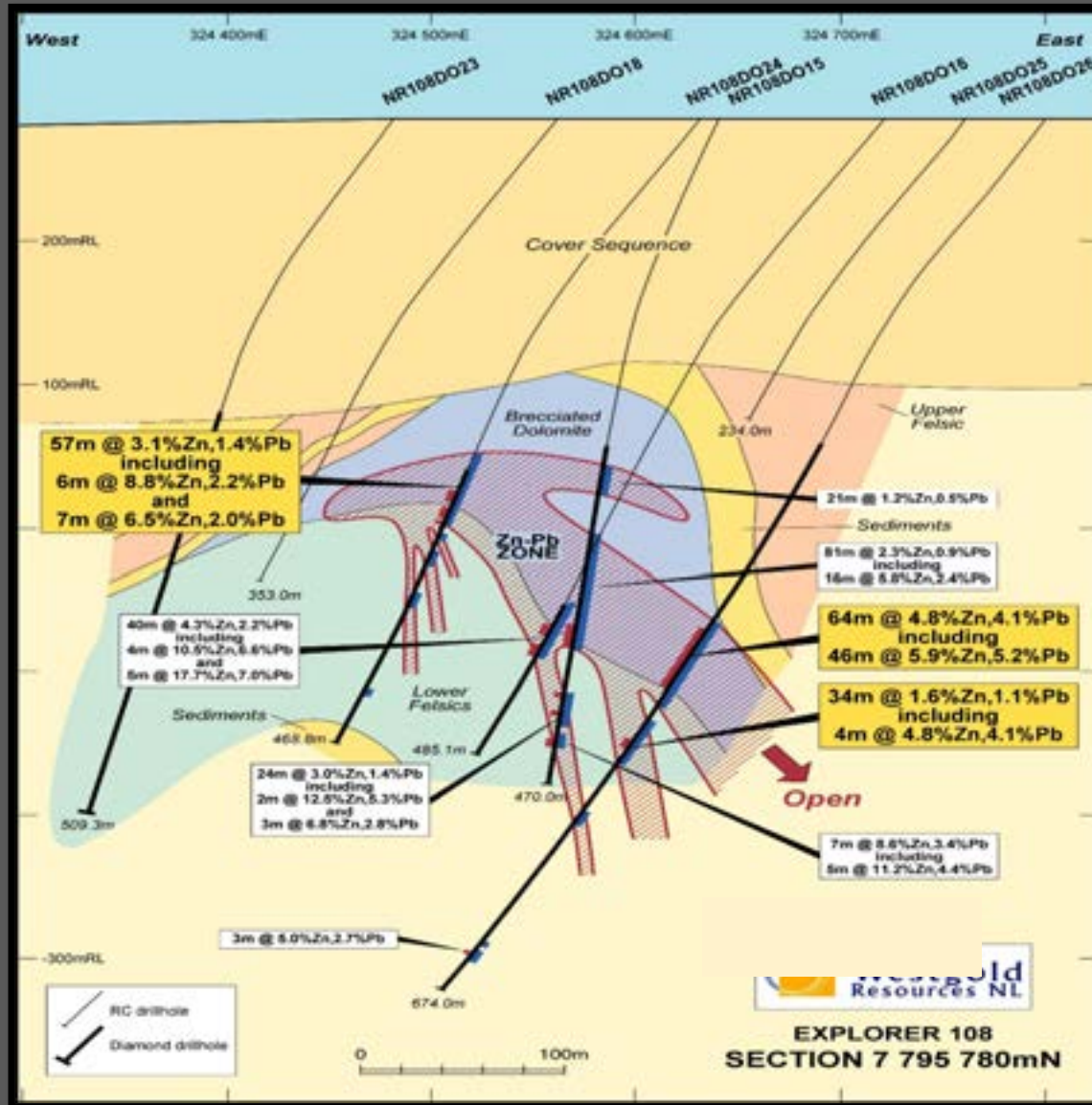
Coincident Magnetic & Gravity Anomalies



EXPLORER 108 PROSPECT



“Virgin Pb-Zn-Ag Discovery”



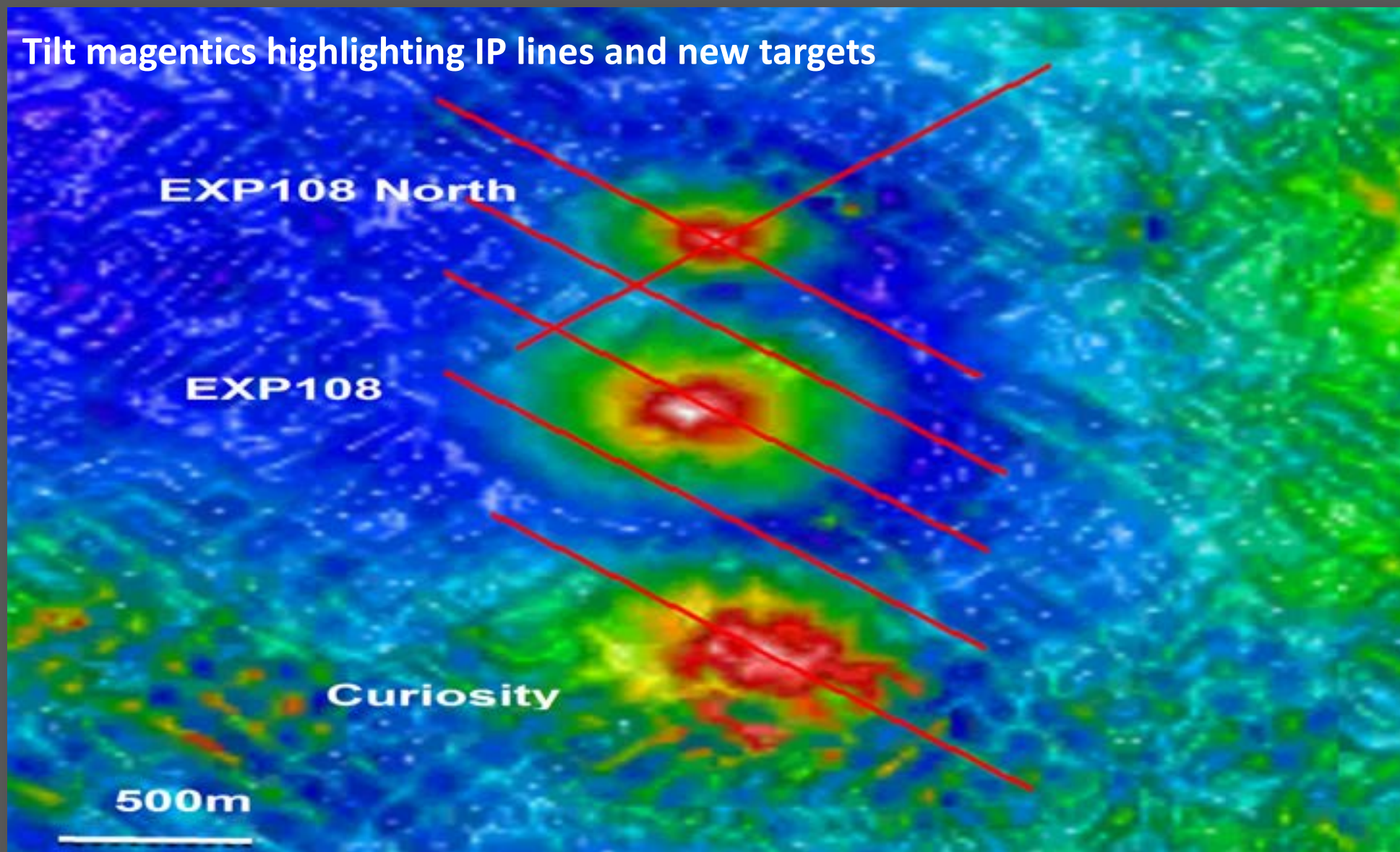
- Coarse grained argentiferous galena (Pb + Ag) and sphalerite (Zn)
- Good metallurgical properties - high flotation recoveries
- Ore system open in all directions
- Initial Resource at 2.5% cut-off 11.87 Million tonnes at: 3.2% Zn, 2.0% Pb, 11.1g/t Ag
- Excellent potential to extend the size.
- Well located near infrastructure – road, rail, gas pipeline and regional town.

EXPLORER 108 PROSPECT

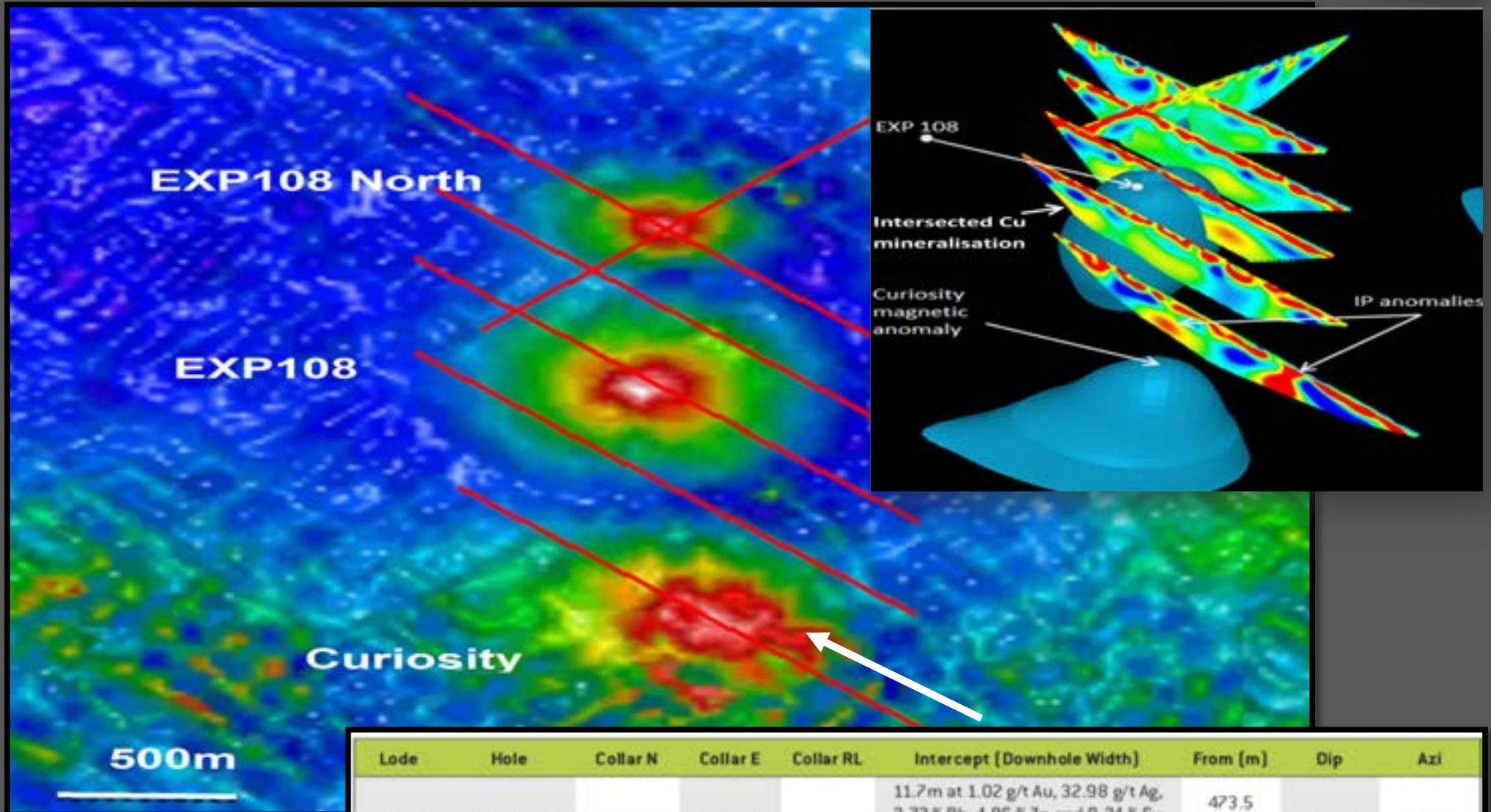


“Virgin Pb-Zn-Ag Discovery”

Tilt magnetics highlighting IP lines and new targets



Tilt magnetics highlighting IP lines and new targets



500m

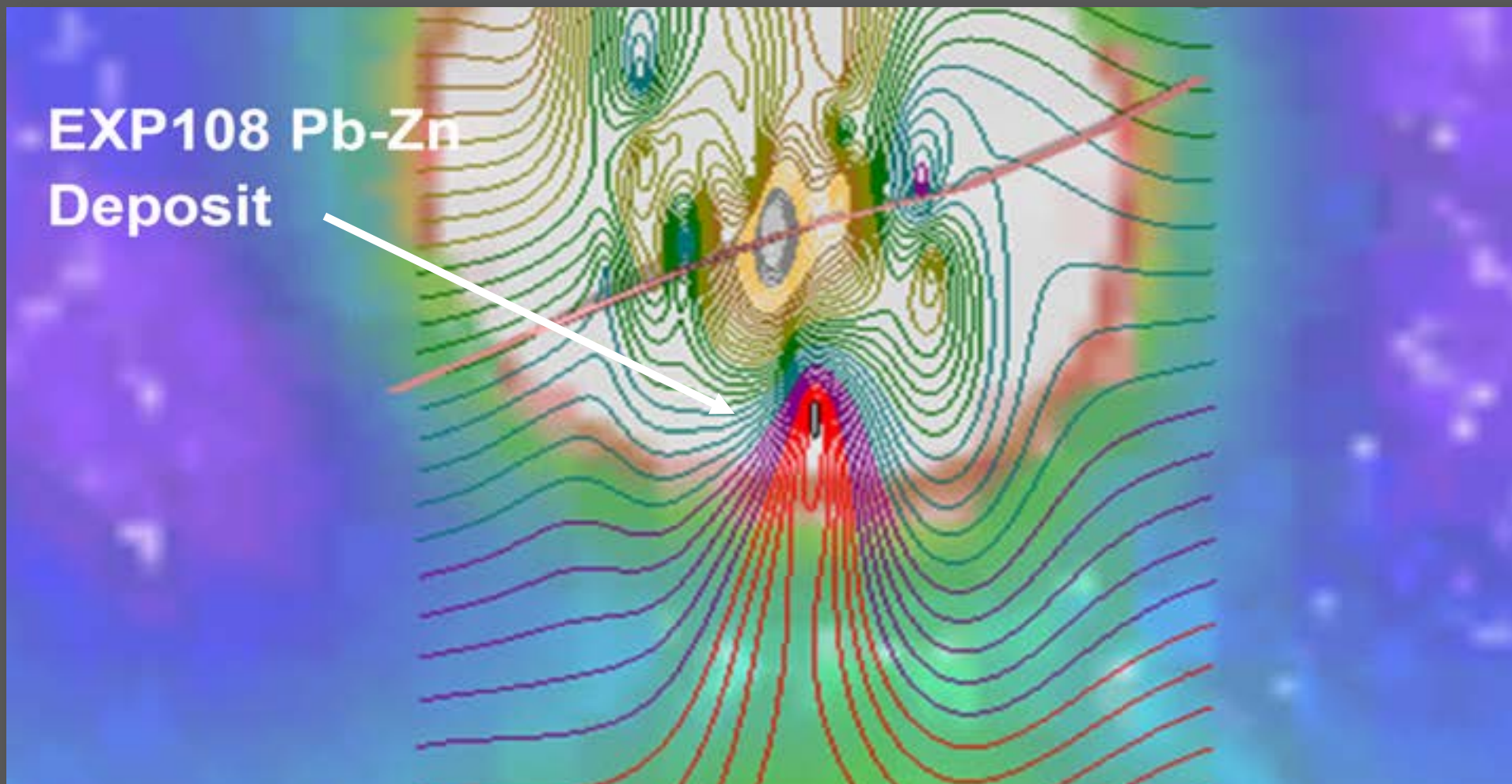
Lode	Hole	Collar N	Collar E	Collar RL	Intercept (Downhole Width)	From (m)	Dip	Azi
Curiosity	MXCUR002	7,794,857	324,725	285	11.7m at 1.02 g/t Au, 32.98 g/t Ag, 3.73 % Pb, 4.86 % Zn and 0.24 % Cu	473.5	-62.2	260.0
					0.53m at 0.37 g/t Au, 492 g/t Ag and 12.4% Cu	510.3		

EXPLORER 108 PROSPECT



“A bigger story to unravel here!”

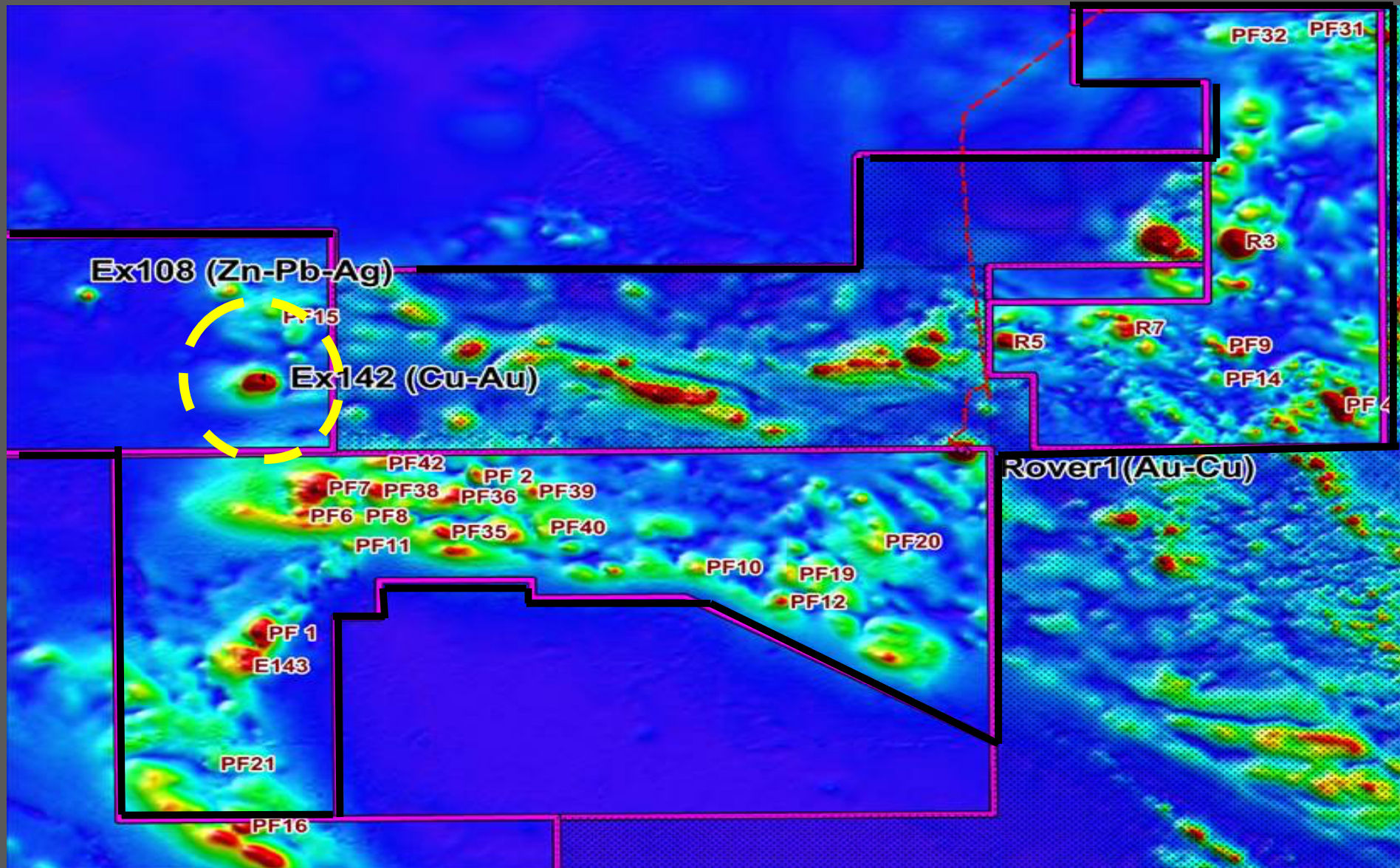
Contoured copper concentrations within basal dolomite sequence



THE ROVER REGIONAL PROJECT



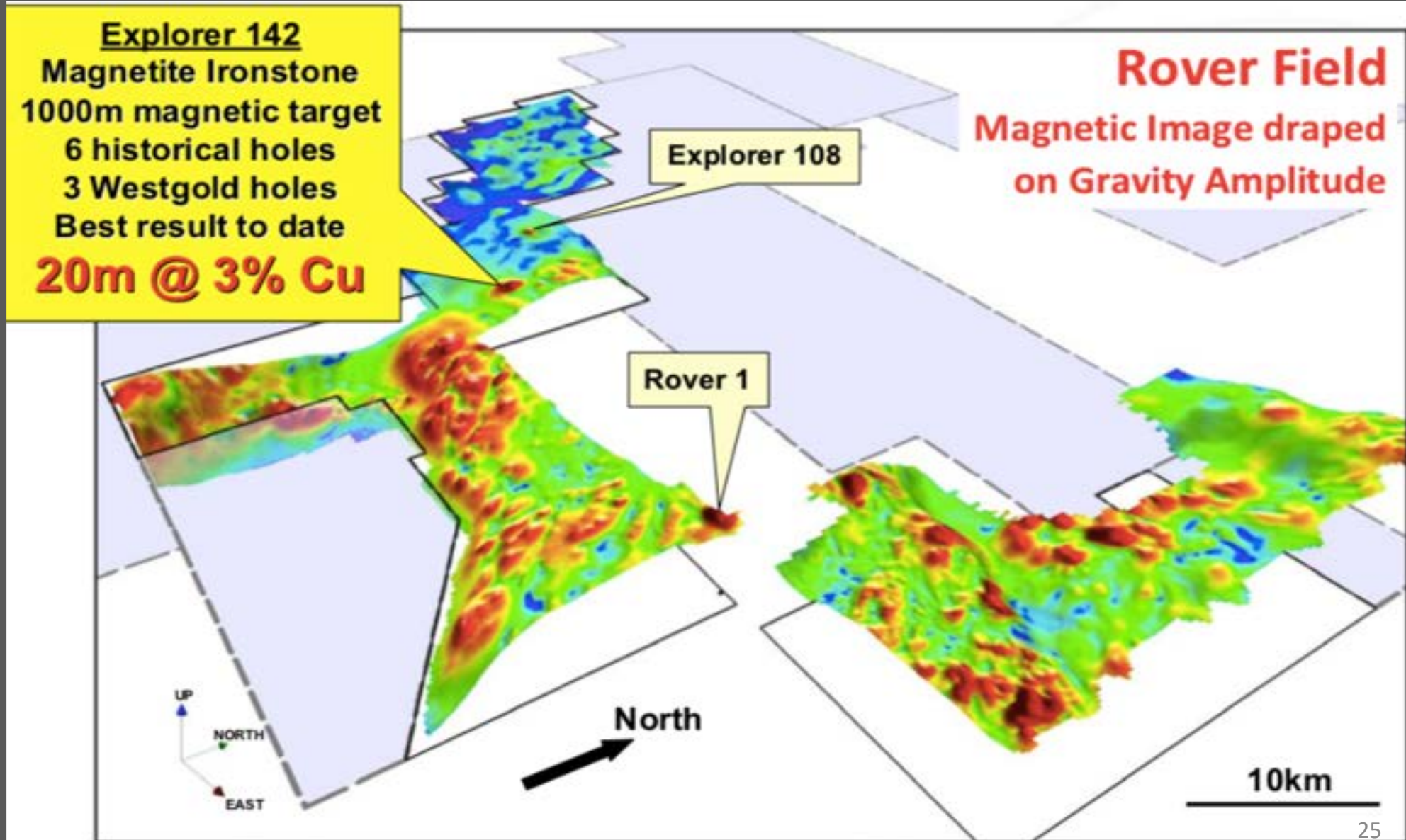
Coincident Magnetic & Gravity Anomalies



THE ROVER REGIONAL PROJECT



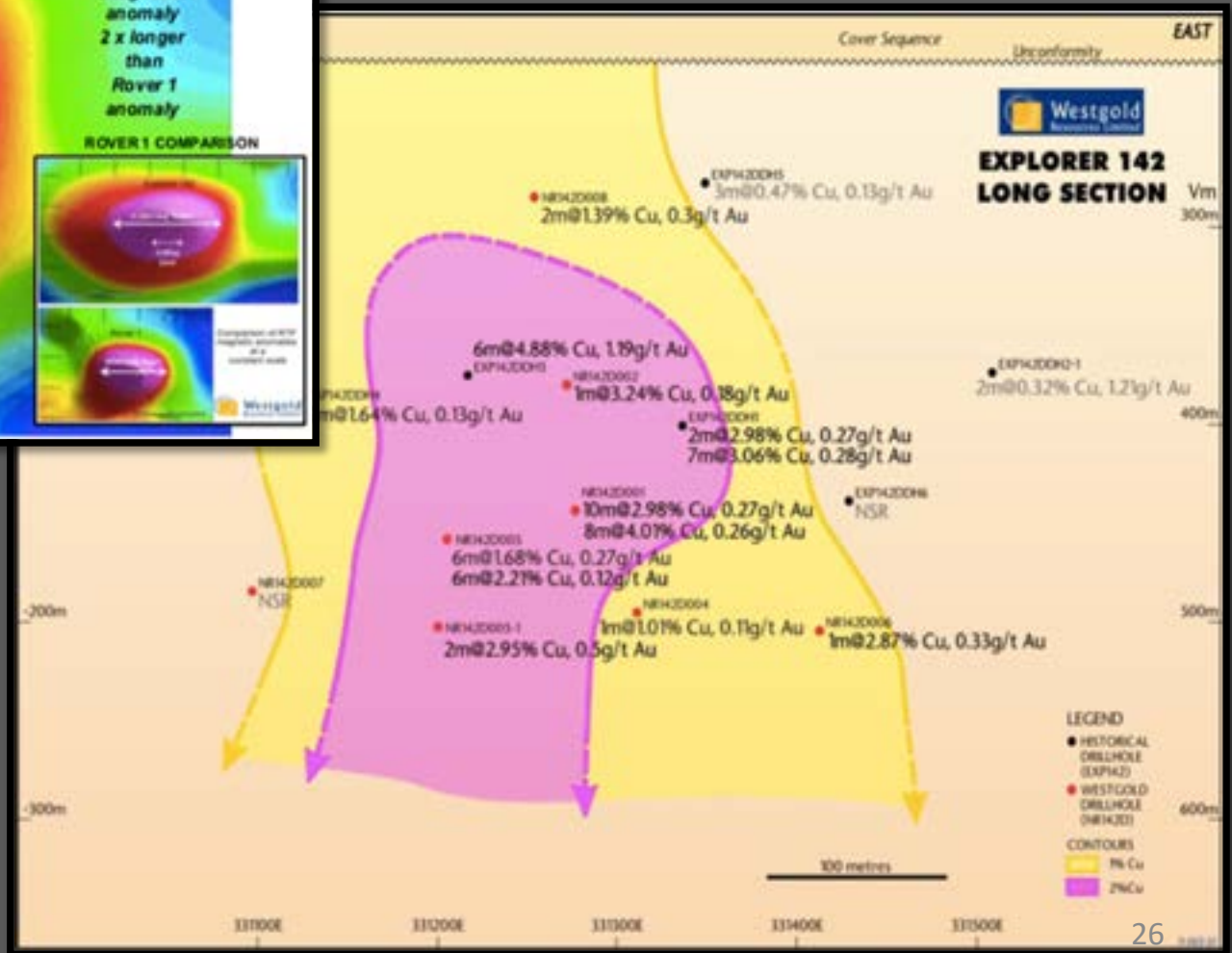
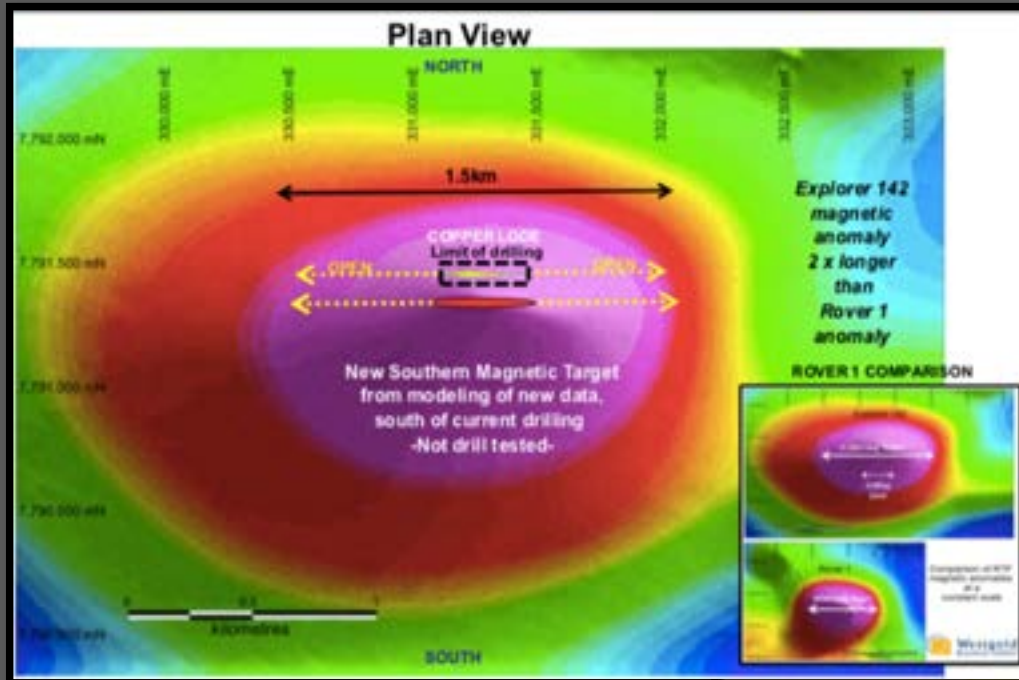
Explorer 142 Prospect



Explorer 142 Prospect



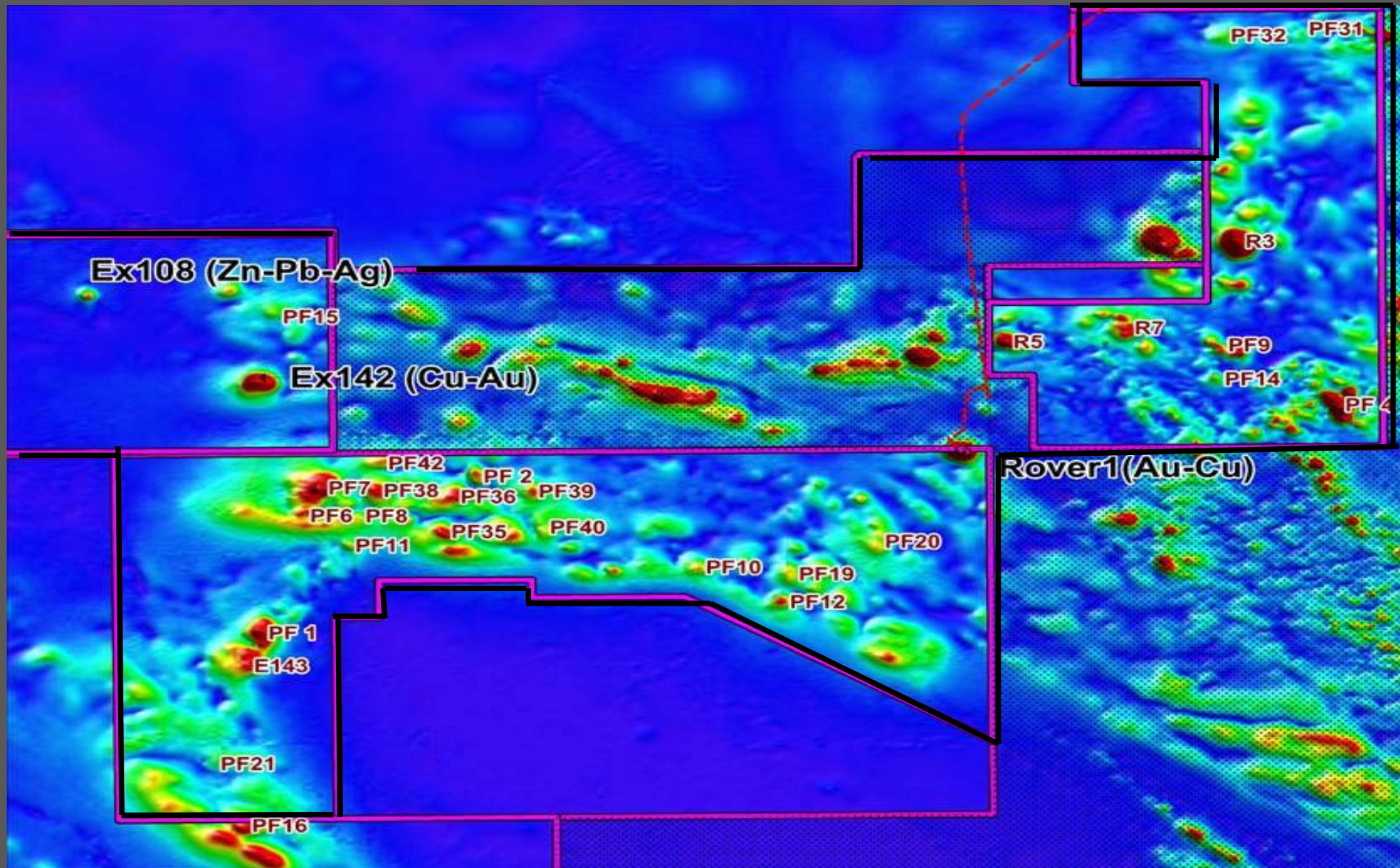
“the sniff of another IOCG”



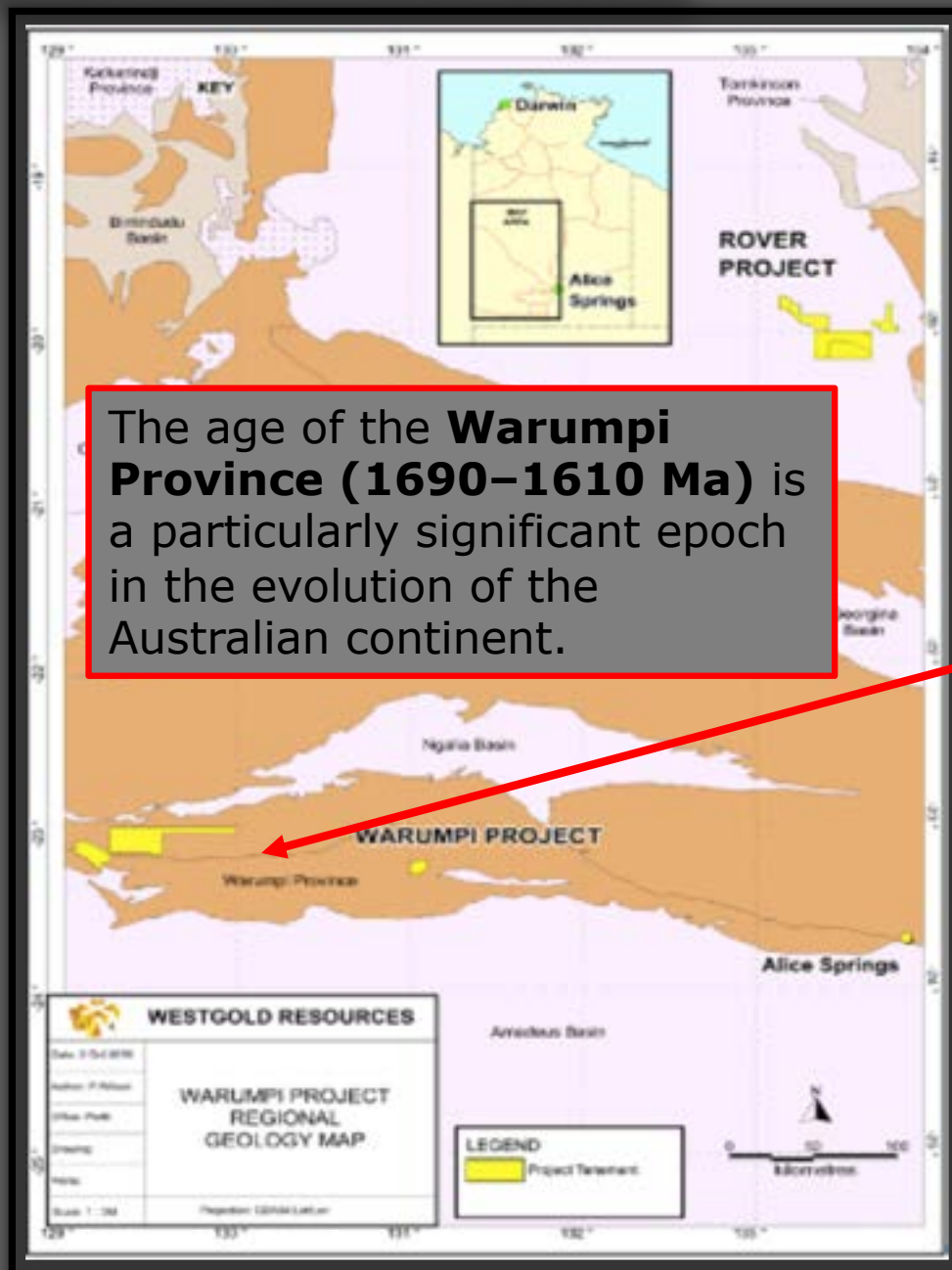
THE ROVER REGIONAL PROJECT



Plenty more targets!!



THE WARUMPI PROJECT



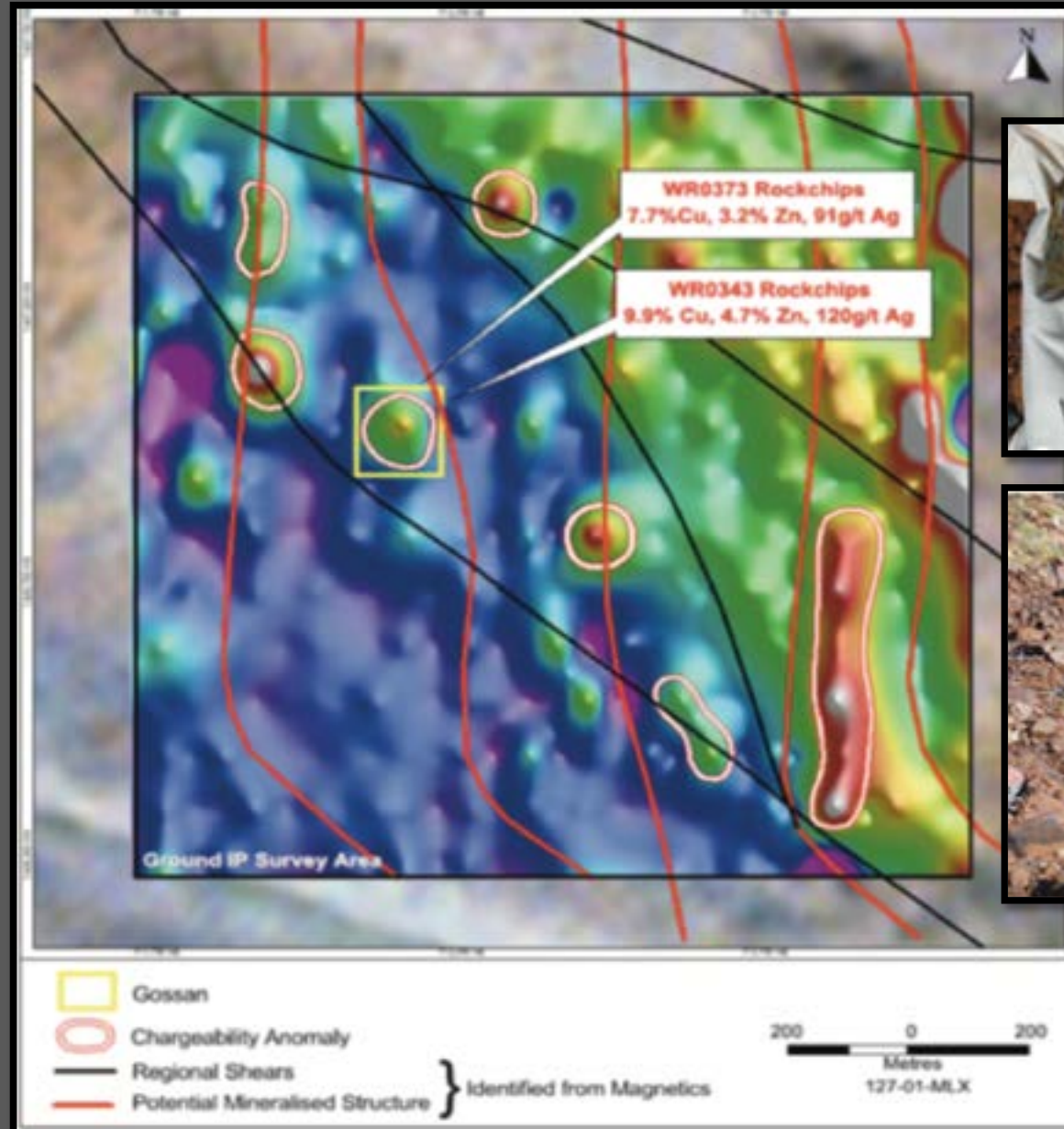
Stratigraphy of this period hosts the world-class stratabound Pb-Zn-Ag mineralisation:

- **Broken Hill (1690 Ma)**
- **Mount Isa Group (1654 Ma)**
- **McArthur River (1640 Ma)**
- **Century (1610 Ma)**

HURON PROSPECT



“Outcropping Cu – Zu Gossan”



WR0373 Rockchips
7.7%Cu, 3.2% Zn, 91g/t Ag

WR0343 Rockchips
9.9% Cu, 4.7% Zn, 120g/t Ag





CASTILE
RESOURCES LIMITED

Exciting times ahead !