

WESTGOLD RESOURCES LIMITED

ASX : WGX

MARCH QUARTER FY23 UPDATE

26 April 2023

Wayne Bramwell | Managing Director

Tommy Heng | CFO

Matthew Pilbeam | GM EH & S

Simon Rigby | GM Exploration & Growth

Disclaimer



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.

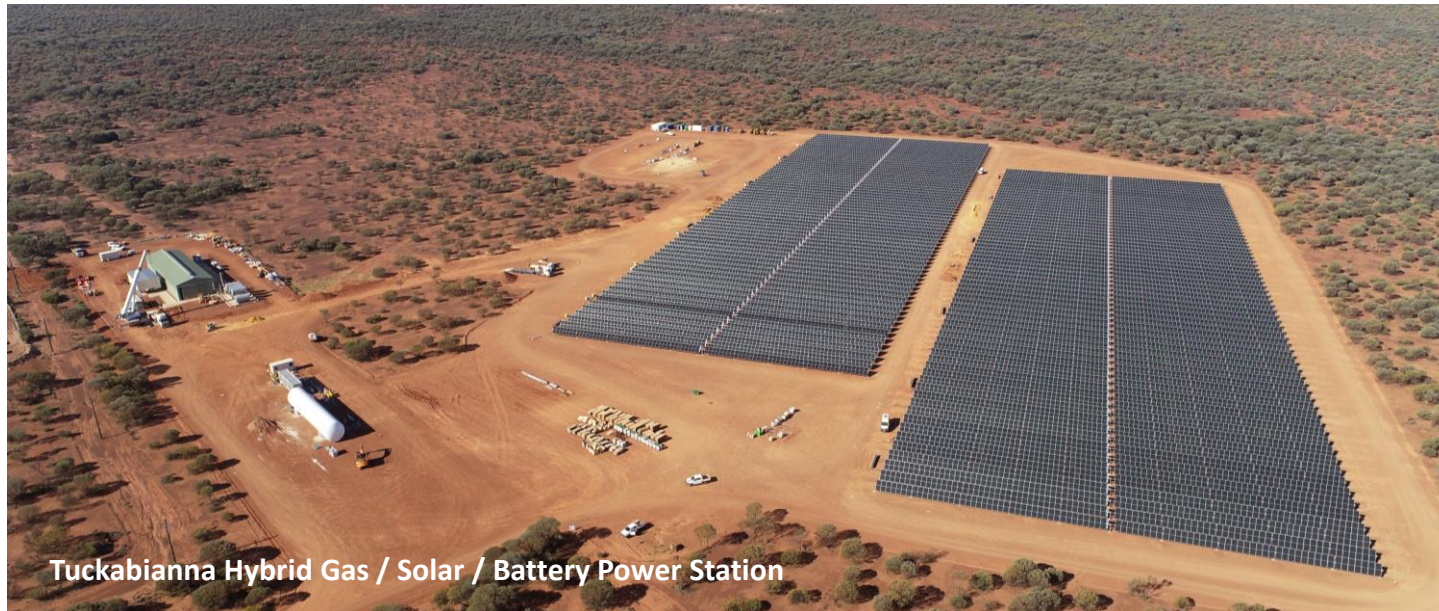
Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as 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.

FY23 – Tracking to Guidance

OPERATION	GROUP	Q1	Q2	Q3	YTD
Production (koz)	240,000 -260,000	66,048	62,180	60,512	188,740
AISC (A\$/oz)	1,900-2,100	2,106	2,071	2,094	2,077
Growth Capital (A\$M) ¹	60	21	18	15	54
Exploration (A\$M) ²	20	7	3	4	14

1. Growth Capital includes underground, camp and other growth-related project, property, plant and equipment costs

2. Exploration includes expenditure associated with all Murchison and Bryah tenure and includes FY23 Great Fingall and Caustons drilling



Tuckabianna Hybrid Gas / Solar / Battery Power Station

“Building our cash and liquid assets on top of improving our TRIFR in Q3 shows Westgold is delivering on the strategy of producing safe and profitable ounces in FY23.

Simplification of the business continues to improve efficiencies, and increasing our focus on safety culture and operational and commercial discipline is beginning to translate into free cash flow.

We are early in this operational and financial turnaround and our hedge position was reduced substantially this quarter at a time of record gold price.

Our team sees additional opportunities in every one of our mines and the business functions that support them, and with a view to growth are committed to building a safe, profitable and sustainable business into FY24. “

Q3 FY23 Results – Turnaround advancing

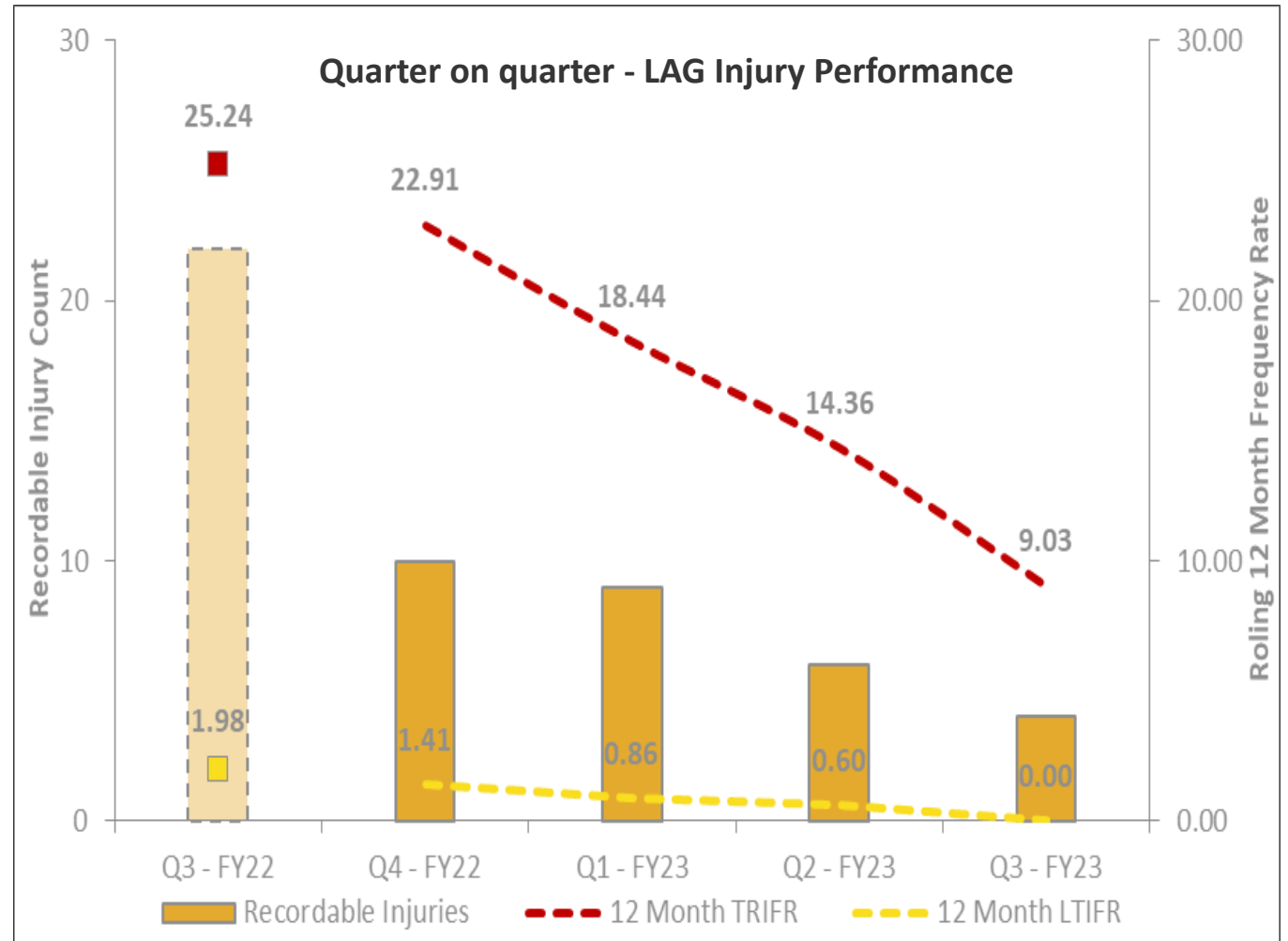
- **EH&S performance continue to improve** – first time WGX has returned a TRIFR result below 10.0
- **Key mines continue to perform with Q3 production of 60,512oz** – at an All-In-Sustaining Cost (AISC) of **\$2,094/oz**
- **Tracking to top end of FY23 production guidance and mid-point of cost guidance**
- **Closing cash and liquid assets of \$168M at quarter end** – up \$9M on previous quarter
- **Positive mine operating cash flow of \$32M** – up \$3M on previous quarter
- **Nine (9) resource development and exploration rigs operating** – with best intercepts to date including:
 - **52m at 5.68g/t Au from 300m** (22BLDD261A – Bluebird)
 - **50.37m at 5.05g/t Au from 746.63m** (not true width - 22BBDD0120A – Big Bell)
 - **2.93m at 95.79g/t Au from 31m** (23CNDD065 – Consols Lode within Paddy’s Flat)
 - **19.5m at 6.24g/t Au from 220m** (NF1205GC073 - Nightfall Lode within Starlight)
- **First hybrid diesel-electric R2900XE CAT loader operating at Starlight Mine**
- **Clean Energy Transition (CET) Project**
 - the Tuckabianna hybrid power station construction advancing with commissioning expected during July 2023
- **Hedge position continues to be closed out** – 40,000oz at quarter end
- **Westgold remains debt free**



Q3 Environment, Health & Safety Performance

EH&S Performance Highlights for the Quarter:

- **37.15% decrease in Total Recordable Injury Frequency Rate (TRIFR)** – *the first time WGX has returned a TRIFR result below 10.0:*
 - **Q3 – 9.03** from Q2 – 14.36
- **Lost Time Injury Frequency Rate (LTIFR) has achieved 0.00** – *the first time WGX has achieved such a zero LTIFR:*
 - **Q3 – 0.00** from Q2 – 0.60
- **High Potential Incident Frequency Rate (HiPoFR) increased slightly (up 2.13%)** - due to the worked hours differential.
- **Zero Significant Environmental Incidents**
- **Zero Significant Psychosocial Harm events**



WESTGOLD – 100% Western Australian



MURCHISON OPERATIONS

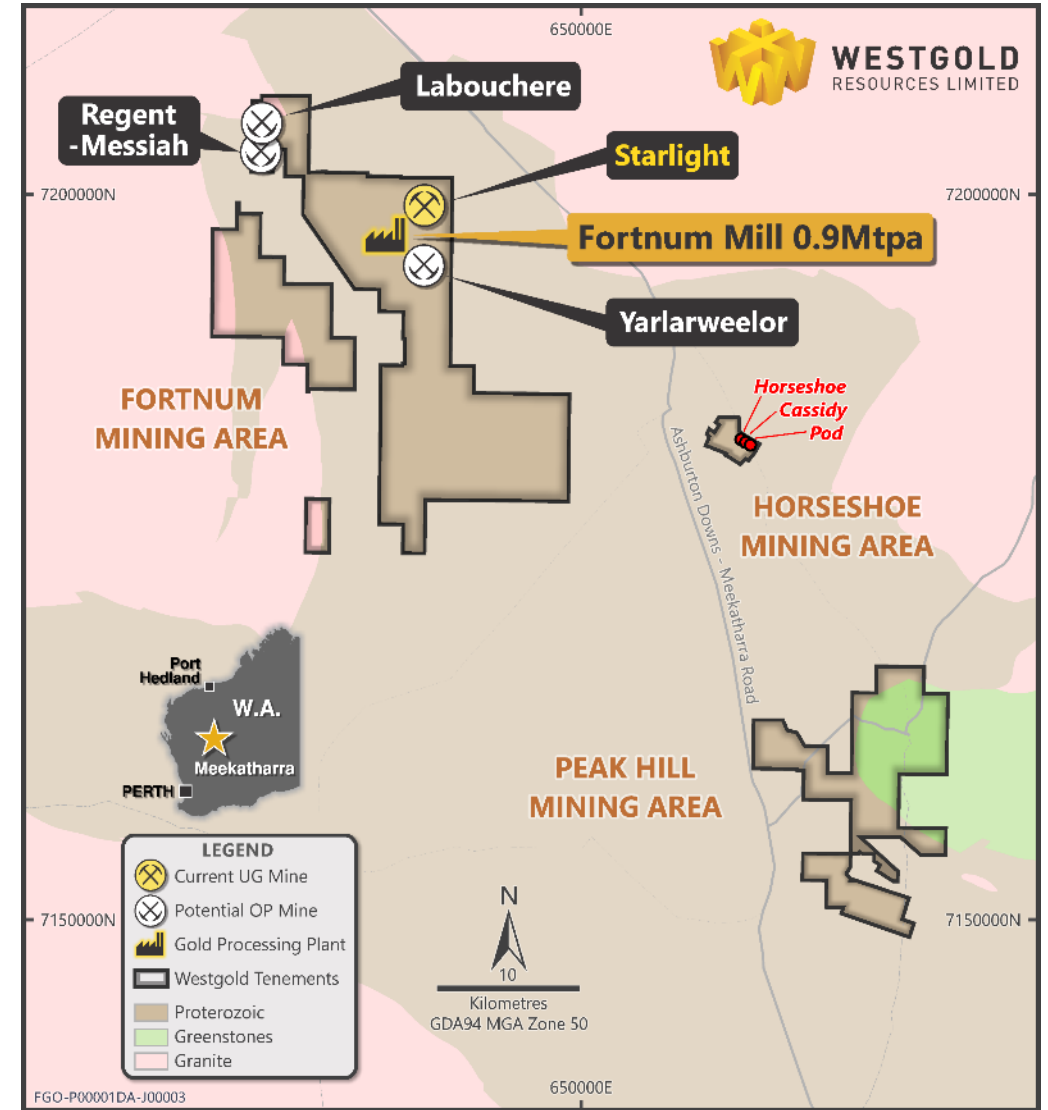
1,400 strong workforce

1,300km² tenure

4 underground mines

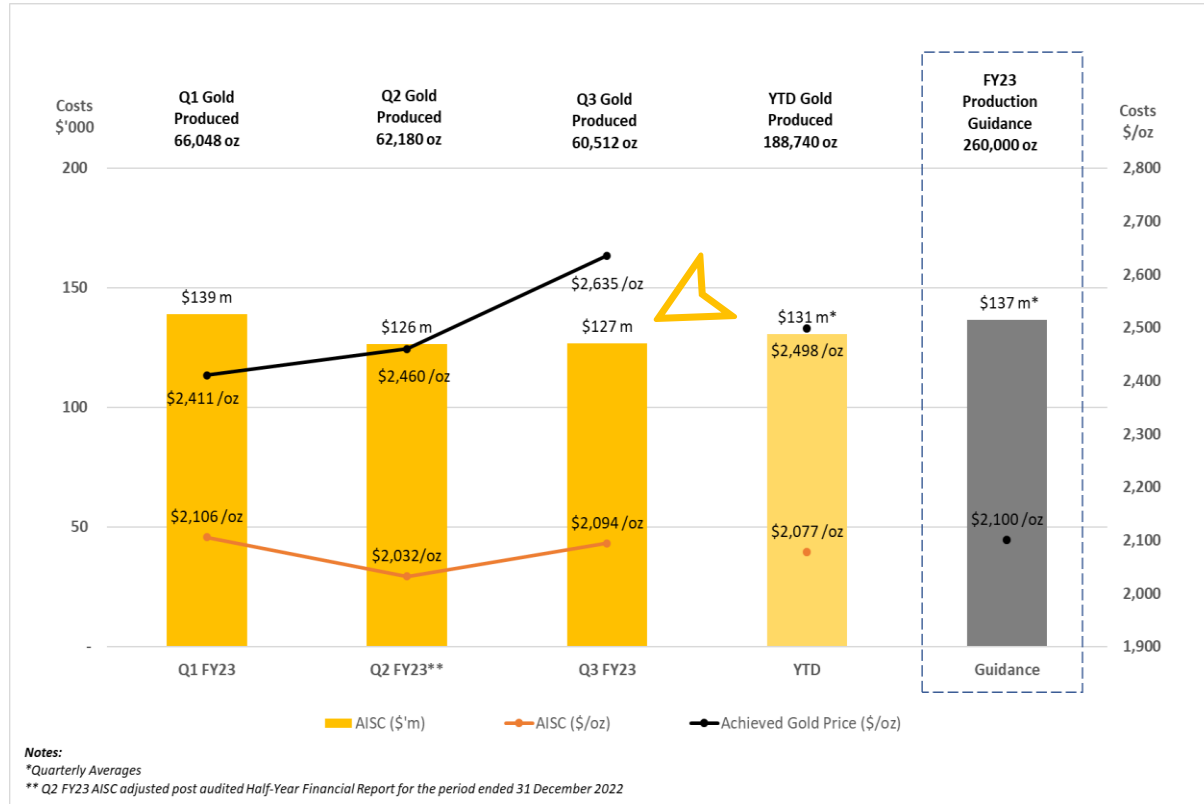
3 processing plants

Owner / operator with extensive UG fleet

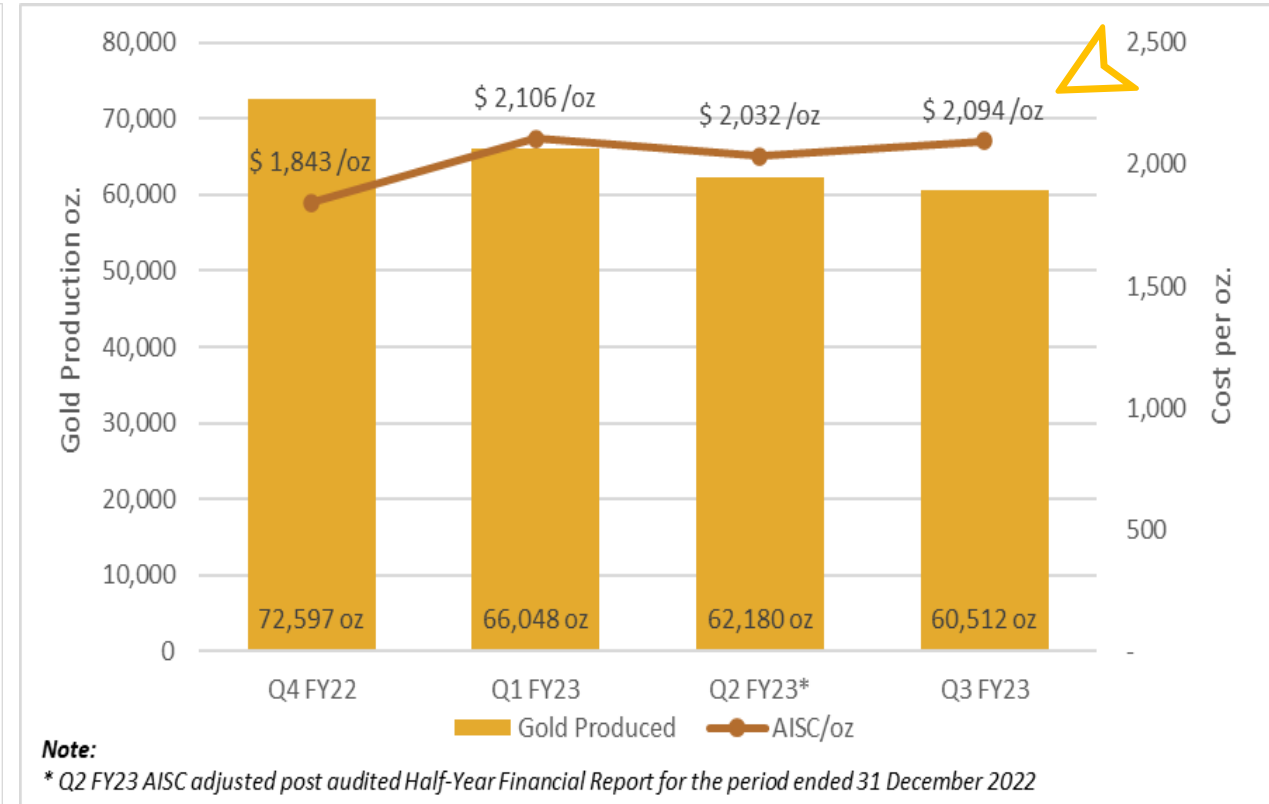


BRYAH OPERATIONS

Q3, FY23 – In Review



Production (oz), Achieved Gold Price & AISC (\$/oz)



Quarters Rolling Gold Production (oz) & AISC (\$/oz)

Q3 KEY METRICS – Net Mine Cashflow Up

Westgold tracking to top end of FY23 production and mid-point of FY23 cost guidance:

- Production for the quarter of **60,512oz**.
- AISC for Q3 of **\$127M or \$2,094/oz** – \$ maintained with monetisation of surface stockpiles and \$/oz impacted by weather impacting production

FY23 TOTAL = 188,740oz @ AISC \$2,077/oz

- FY22 stockpile drawdown continues (monetisation)
- Capital expenditure of **\$15M** this quarter (Q2: \$18M) - key assets now at steady state with major capital being tailings lifts and processing facilities.
- Exploration investment with 9 rigs operating - **\$4M*** (Q2: \$3M)

*scheduling

		MURCHISON MAR QTR FY23	BRYAH MAR QTR FY23	GROUP MAR QTR FY23	GROUP YTD FY23
Physical Summary					
	Units				
ROM - UG Ore Mined	t	543,438	135,889	679,328	2,252,836
UG Grade Mined	g/t	2.8	2.2	2.7	2.7
Ore Processed	t	671,917	197,438	869,355	2,706,859
Head Grade	g/t	2.6	1.9	2.4	2.4
Recovery	%	88	97	90	90
Gold Produced	oz	48,609	11,904	60,512	188,740
Gold Sold	oz	48,085	11,959	60,043	189,432
Achieved Gold Price	A\$/oz	2,635	2,635	2,635	2,498
Cost Summary					
Mining	A\$/oz	1,017	1,204	1,054	1,090
Processing	A\$/oz	497	610	519	501
Admin	A\$/oz	101	139	108	110
Stockpile Movements	A\$/oz	58	168	80	73
Royalties	A\$/oz	98	69	92	87
Cash Cost (produced oz)	A\$/oz	1,771	2,190	1,853	1,861
Corporate Costs	A\$/oz	27	67	35	31
Sustaining Capital	A\$/oz	218	157	206	185
All-in Sustaining Costs	A\$/oz	2,016	2,414	2,094	2,077
Notional Cashflow Summary					
Notional Revenue (produced oz)	A\$ m	128	31	159	471
All-in Sustaining Costs	A\$ m	(98)	(29)	(127)	(392)
Mine Operating Cashflow	A\$ m	30	2	32	79
Growth Capital	A\$ m	(4)	(2)	(6)	(40)
Plant & Equipment	A\$ m	(8)	(1)	(9)	(22)
Exploration Spend	A\$ m	(3)	(1)	(4)	(14)
Net Mine Cashflow	A\$ m	15	(2)	13	3

Q3 KEY METRICS – Profitability

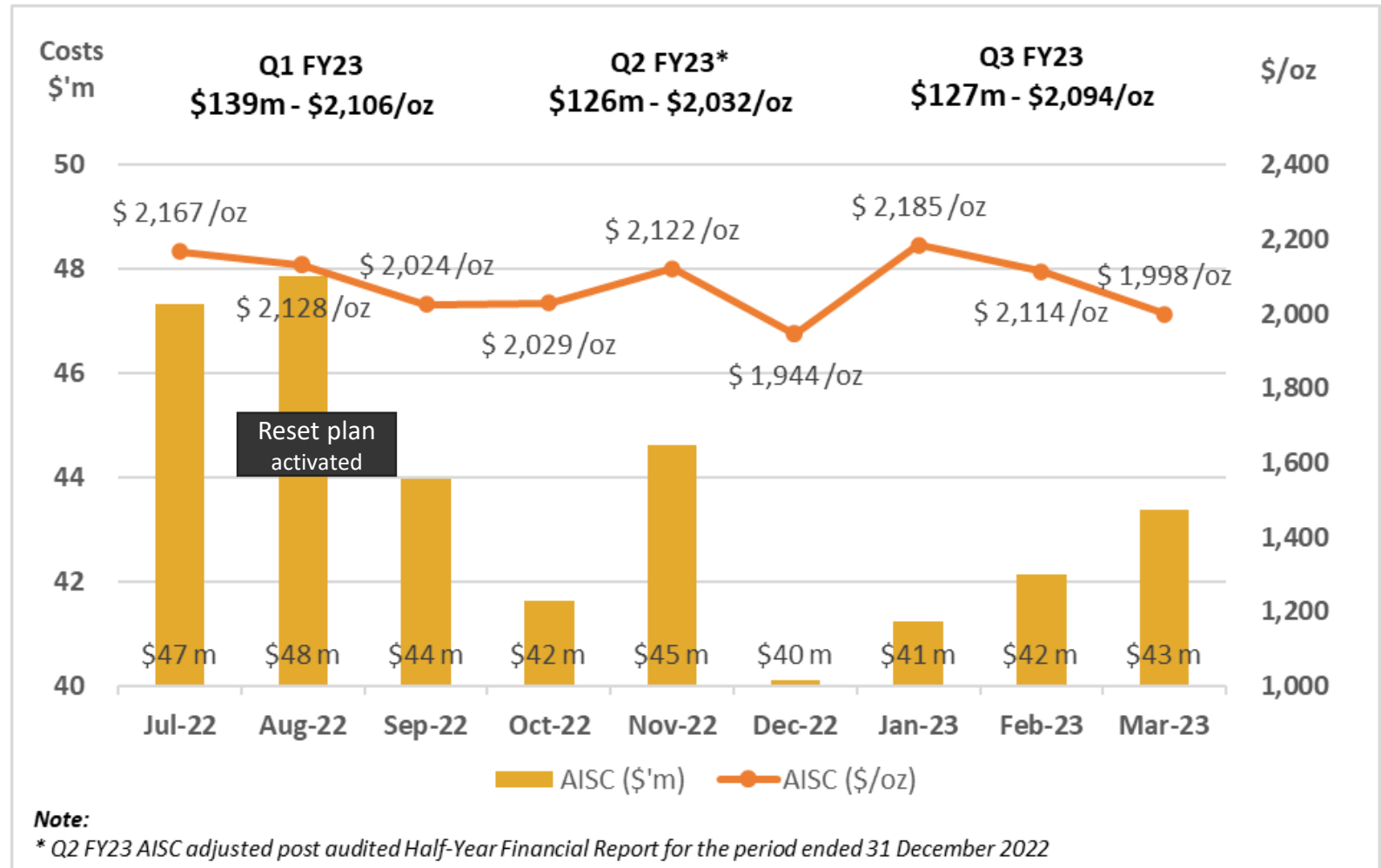
▪ Simplicity + Efficiency = Profitability

- Operating discipline improving
- Cost management improving
- Big Bell and Bluebird expanding
- Starlight and Paddy’s Flat being right sized

▪ Benefits seen in March Quarter

- Changes to the operating plan and the pausing of smaller or marginal mines have seen the cost benefits maintained in Q3
- AISC includes the monetisation of surface stockpiles of \$4.8M built during FY22 driving the AISC higher (non-cash movement)

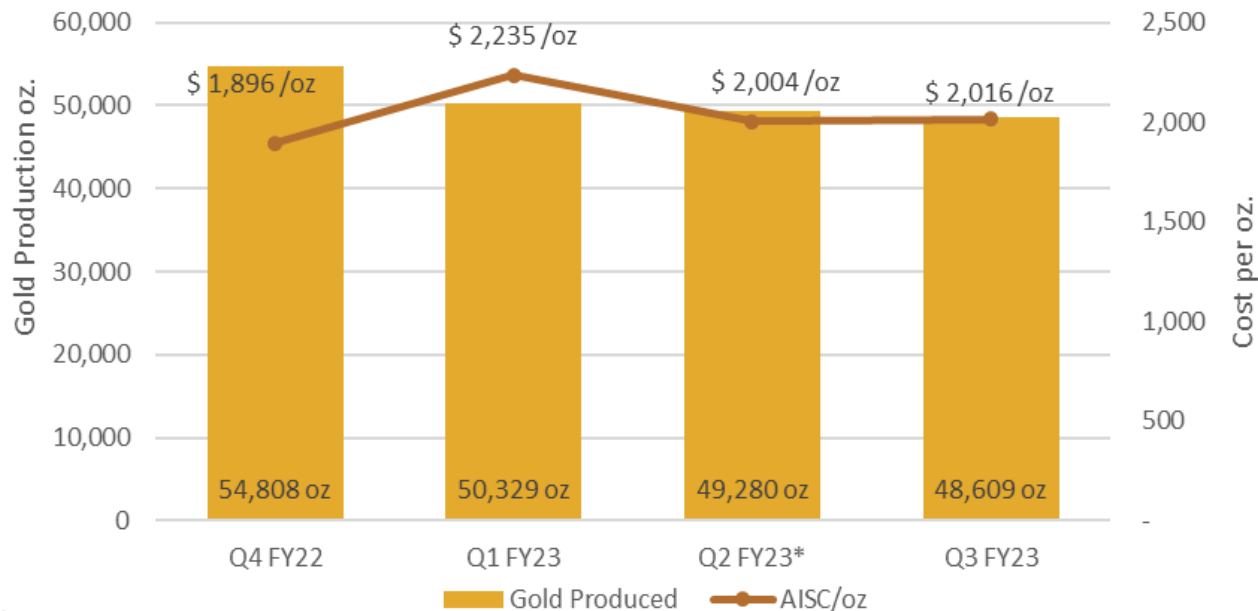
Westgold Monthly AISC (\$'m) & (\$/oz)



MURCHISON- Operational Summary



Murchison Operation	HG tonnes	grade	HG Ounces mined	Recovery	Ounces produced
Big Bell	270,562	2.7	23,356		
Tuckabianna Processing Hub	321,928	2.4		86%	21,644
Paddy's Flat	170,183	2.6	13,941		
Bluebird	102,692	3.7	12,311		
Bluebird Processing Hub	349,989	2.7		89%	26,964



Note:

* Q2 FY23 AISC adjusted post audited Half-Year Financial Report for the period ended 31 December 2022

- **Processed ore tonnage decreased by 7%** - to 671.9kt compared to the previous quarter (Q2: 724.3kt). Impacted by weather events that interrupted high-grade ore haulage from the mines.
- **Head grade was up at 2.6g/t Au** (Q2: 2.4g/t Au) even as higher quantities of low-grade stockpiles were being processed.
- **Key mines continue to perform**
 - **Big Bell** – producing 271kt at **2.7g/t Au** for 23.4koz mined
 - **Bluebird** – producing 103kt at **3.7g/t Au** for 12.3koz mined
- **Bluebird UG** expansion efforts have been accelerated during the past quarter, with a surface rig mobilised to site to commence testing of Bluebird Deeps and South Junction opportunities.
- **Drilling activities continue in Q3** – an aggressive resource drilling programme continues to extend mine planning horizons of the four key operating assets with **nine** underground and surface rigs operating.
- **Big Bell Deeps** expansion study is progressing well with external reviews and test work pointing to an operating plan that materially extends the mine life, grade and production profile.

MURCHISON- Operational Summary

Drilling to extend mine life - better results include:

▪ Paddy's Flat

- 2.63m at 35.36g/t Au from 135m in 23CNDD001
- 5m at 16.00g/t Au from 134m in 23CNDD009
- 2.93m at 95.79g/t Au from 31m in 23CNDD065
- 9.29m at 9.15g/t Au from 11m in 23CNDD086A

▪ Bluebird

Bluebird Deeps and South Junction

- 8.19m at 9.01g/t Au from 372.81m
- 10.17m at 7.12g/t from 484.1m and
- 36m at 5.02g/t Au from 557m (not true width)

North of current mine plan

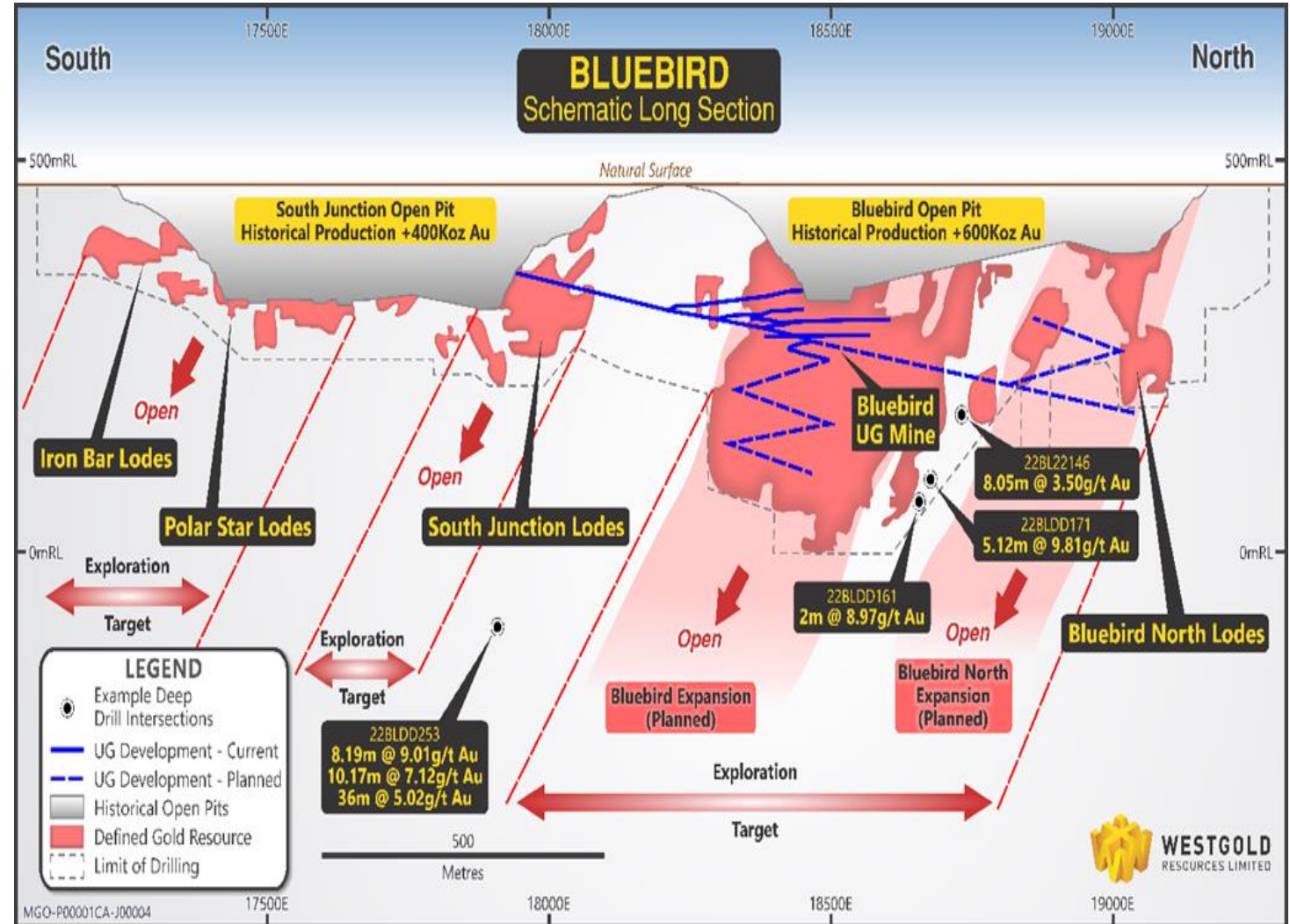
- 5.12m at 9.81g/t Au from 134.88m in 22BLDD171
- 8.05m at 3.50g/t Au from 115m in 22BL22146
- 2.00m at 8.97g/t Au from 117m in 22BLDD161

Bluebird Lodes

- 12.47m at 17.69g/t Au from 244m in 22BLDD128A
- 52m at 5.68g/t Au from 300m in 22BLDD261A
- 96.6m at 2.53g/t Au from 436 in 22BLDD261A
- 11.15m at 23.29g/t Au from 139 in 22BLDD27

▪ Big Bell

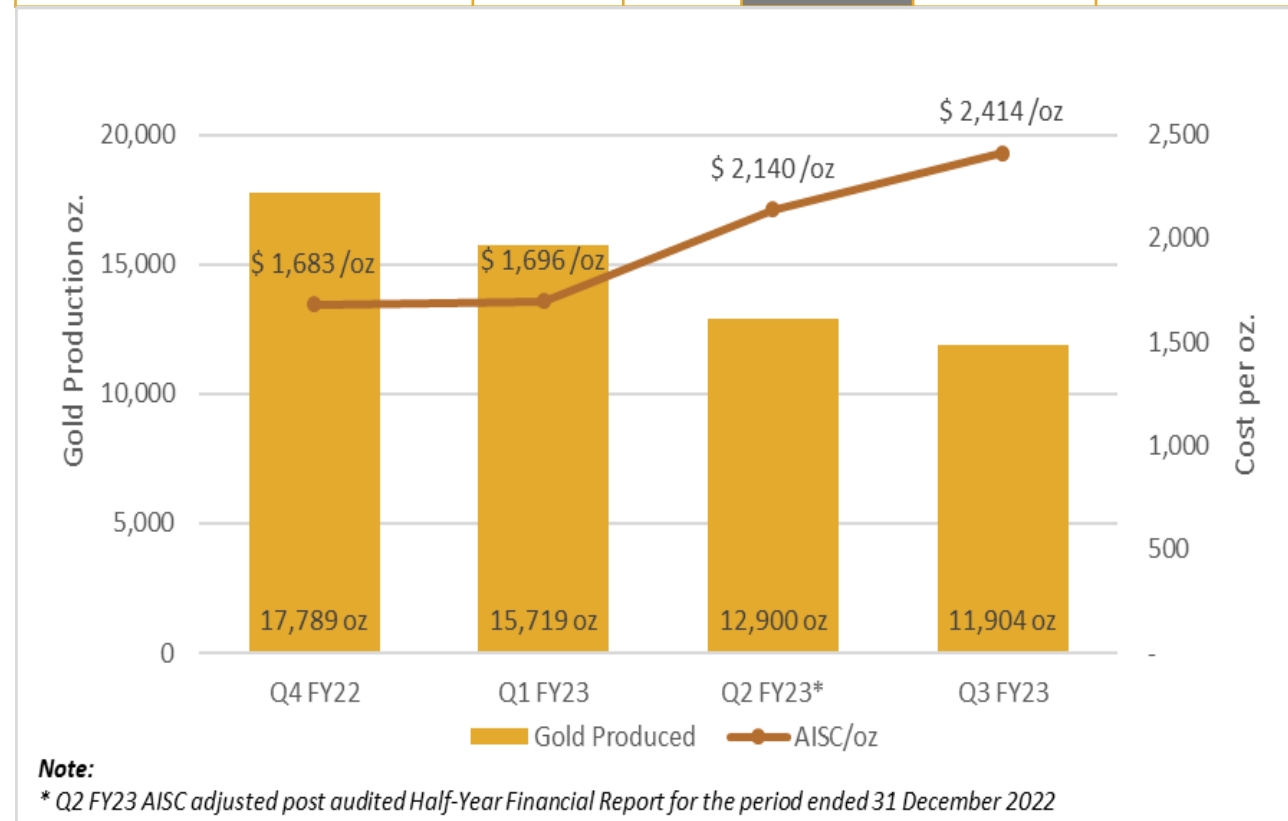
- 50.37m at 5.05g/t Au from 746.63m in 22BBDD0120A



BRYAH - Operational Summary

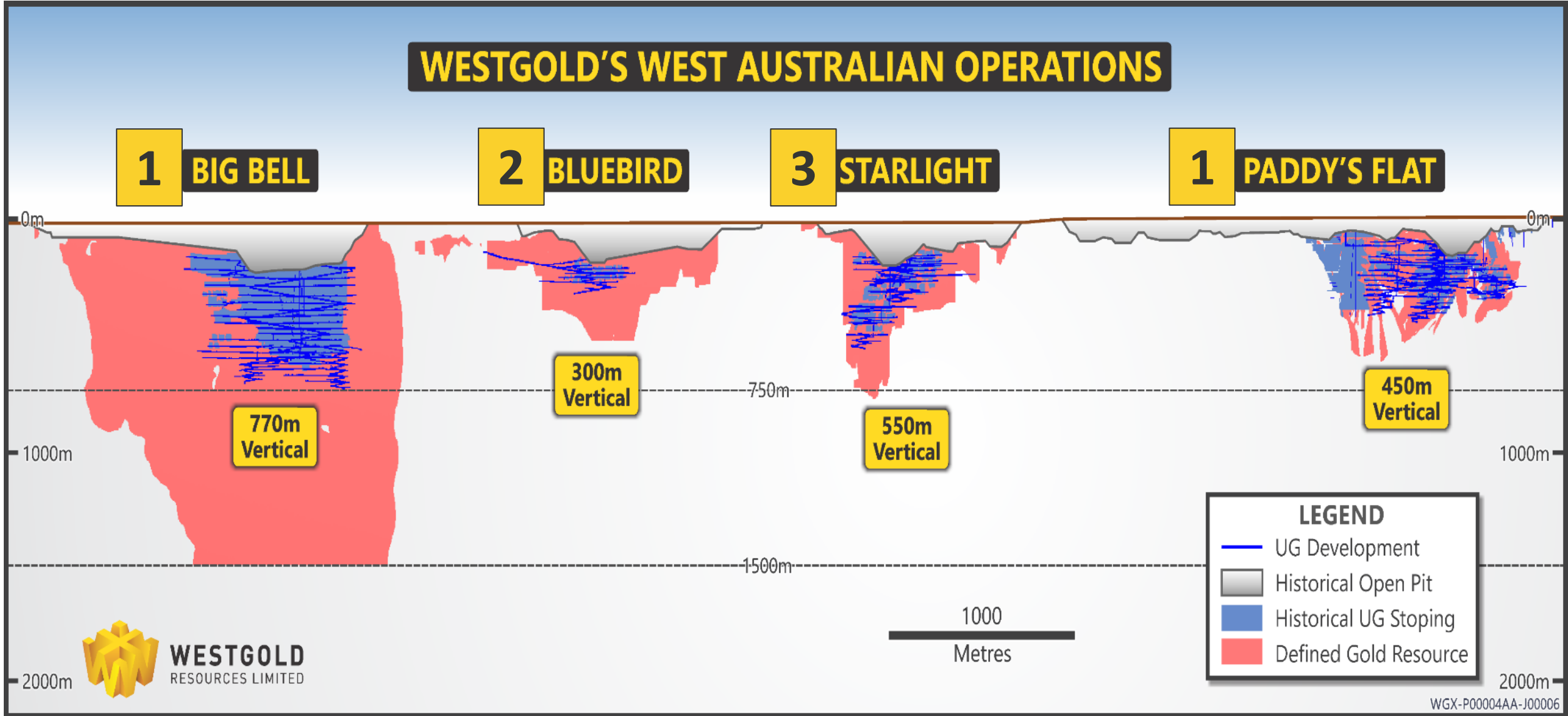
- **New mine plan implemented for the Starlight mine**
 - producing 136kt at 2.2g/t Au for 9.8koz mined
- **Grade increased 10%** - new management team resetting operating practises to focus on grade extraction, not tonnage
- **Process plant throughput below plan by 5%** - to 197.4kt compared to the previous quarter (Q2: 207.5kt) with grade, planned major shutdown and a significant rainfall event hampering operational performance this quarter
- **Accelerated grade control and resource definition drilling** - significant reduction in core backlog evident during April to support mine planning decisions
- Better results returned from drilling activities at **Nightfall**:
 - **19.5m at 6.24g/t Au** from 220m in NF1205GC073
 - **11m at 8.20g/t Au** from 135m in NF1205GC074
- Better results returned from drilling activities at **Trevs**:
 - **6m at 18.66g/t Au** from 42m in TR1197GC05

Bryah Operation	HG tonnes	grade	HG Ounces mined	Recovery	Ounces produced
Starlight Mine	135,889	2.2	9,803		
Fortnum Processing Hub	197,438	1.9		97%	11,904



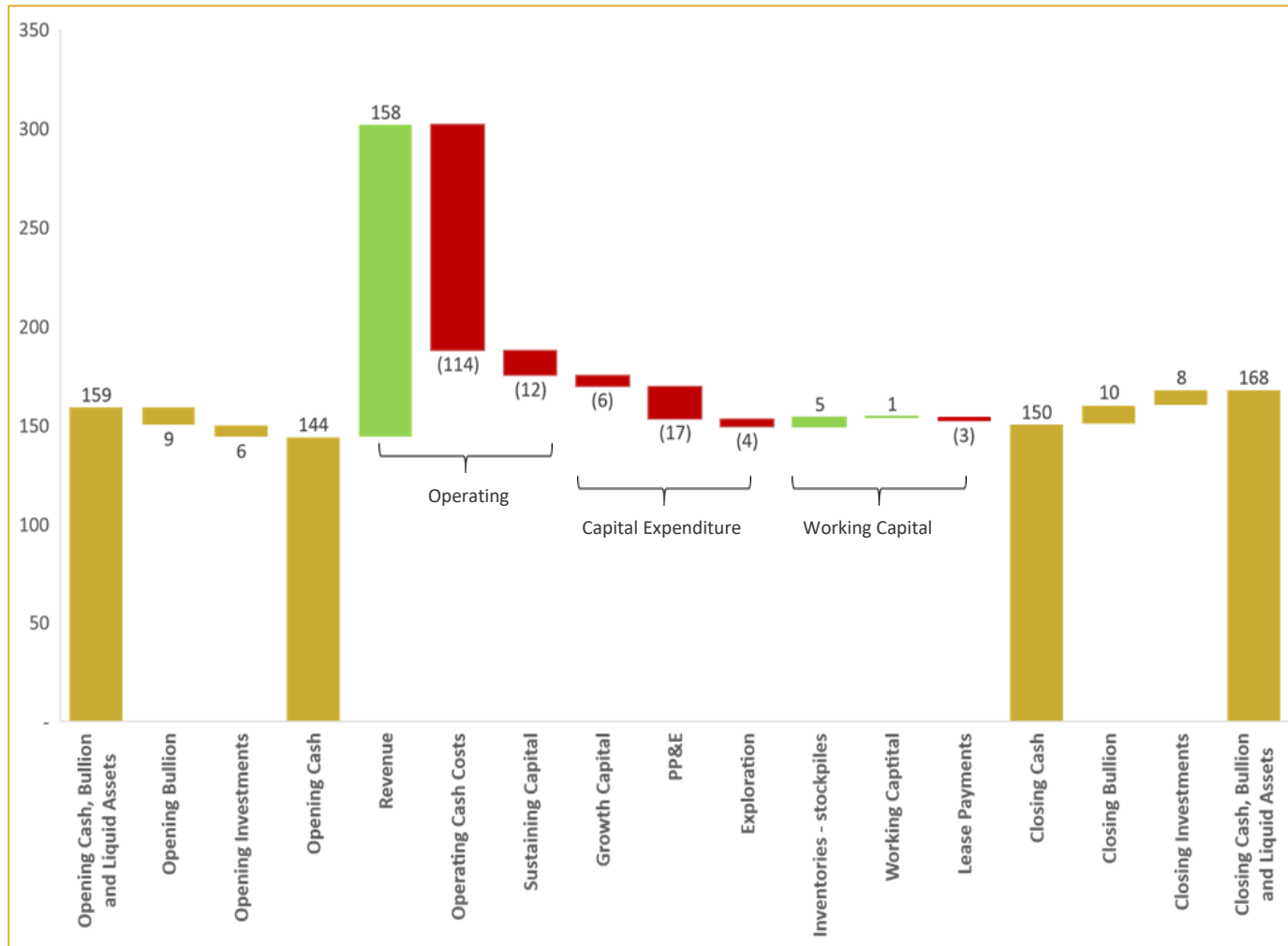
EXTENDING MINE LIVES – 7 rigs on extensional + 2 on exploration

WESTGOLD'S WEST AUSTRALIAN OPERATIONS



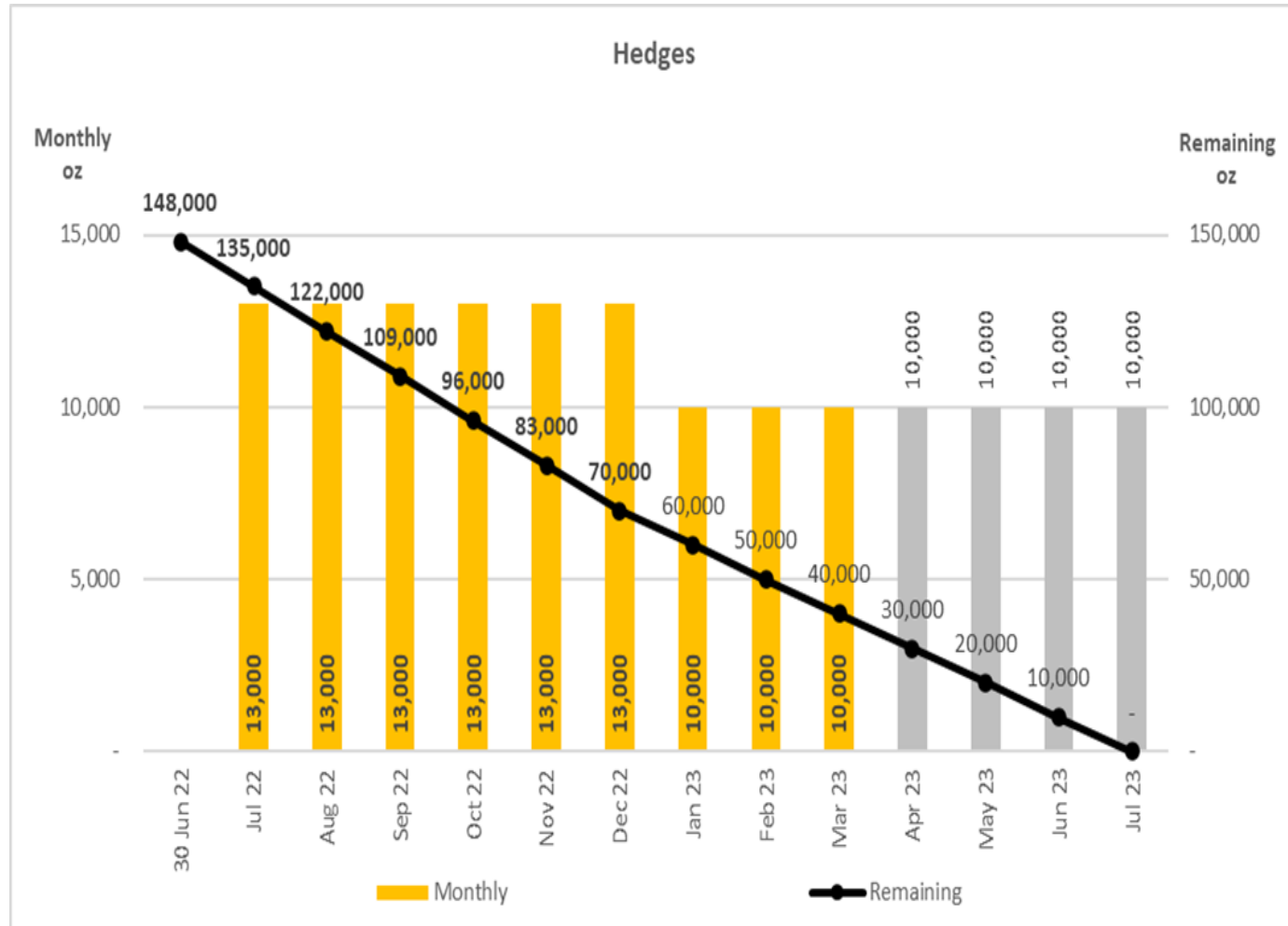
Q3 – Closing Cash, Bullion and Liquids up \$9M

Q3 Waterfall Chart



- **Westgold remains debt free** – Q3 closing cash, bullion and liquid assets of **\$168M** up \$9M on Q2
- Q3 gold sales of **60,043oz** - revenue of **\$159M** at an achieved gold price of **\$2,635/oz**
- **Operating cash costs including sustaining capital maintained** – Q3 **\$126M** (Q2: \$128M)
 - reflects changes to the operating plan
 - reduction in the price of diesel fuel price and some key consumables
 - monetisation of surface stockpiles built during FY22 whilst a non-cash operating costs has resulted in a positive movement on inventories – stockpiles
- **Capital expenditure stabilised** – spend on plant and equipment includes the Clean Energy Transition (CET) Project (\$6M originally planned to be financed -decision taken to fund it directly from operating cash flows during Q3)
- **Exploration spend continues** – increased investment with Diamond Drilling at Great Fingall Deeps and Reverse Circulation drilling at the Arches Prospect - Cuddingwarra
- **Growth funds systematically deployed** - **\$3M** drawdown for growth projects relating to the tailings storage facility (TSF) lift at the Fortnum and Cue processing hub

Q3 Hedge Book – 40,000oz and diminishing fast..



Hedge book reduced during Q3 to 40,000oz

- @ an average A\$2,459/oz
- Last spot sale on 12/04/23 was @A\$3,030/oz

Zero Cost Collars in place for 30,000oz

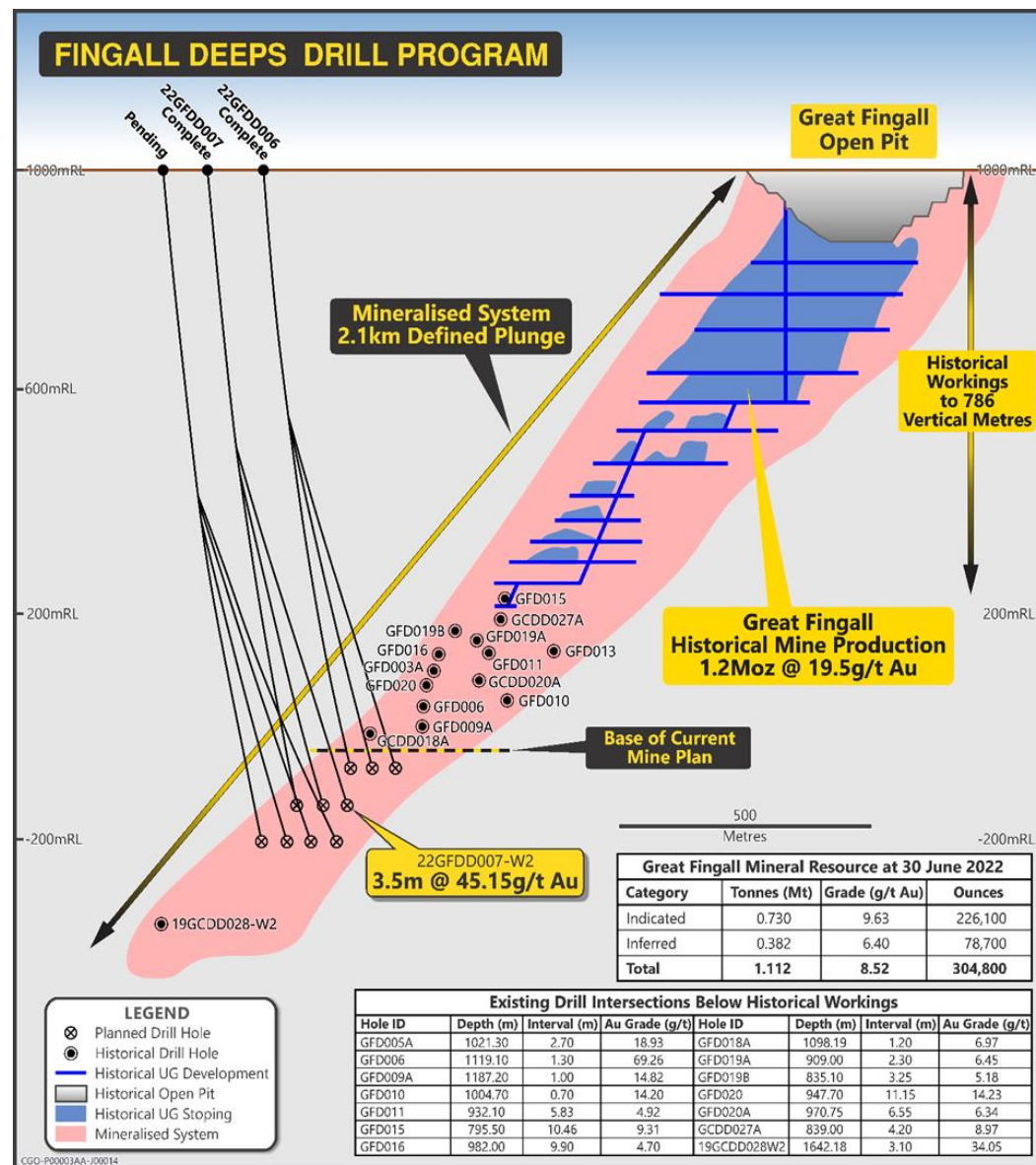
- During March 2023 as the A\$ gold pushed through \$2,900/oz, Put options at \$2,700/oz and Call options at \$3,340/oz were entered into with Citi
- Contingent deliveries of 2,500oz per month from July 2023 to June 2024, subject to the put and call being struck
- Protects the downside of gold price volatility with the put option **only being triggered if the gold price falls to \$2,700/oz.**
- The upside on this small volume of production is correspondingly capped and again, **only triggered if the gold price hits \$3,340/oz**

Q3 Exploration & Growth – Multiple Targets



- **3,256m of Diamond Drilling (DD) at Great Fingall Deeps:**
 - Testing down plunge mineralisation beneath the currently defined ~300Koz Au Mineral Resource
 - Two parent and daughter holes now completed (22GFD006 & 22GFD007) resulting in a significant change to the geological model
 - Best drill result this quarter:
 - **22GFDD007_W2 3.50m @ 45.15g/t Au#**
 - The Fingall Reef now modelled as bifurcating below the base of historic workings.
 - Re-entry of 1980's era holes GFD11, GFD19 & GFD20 underway to collect confirmatory structural data and support update of Great Fingall Mineral Resource Model

- **Exploration drilling commenced on other priority targets late in the quarter - and will continue into Q4**
 - RC program commenced at Arches at Cuddingwarra (1,474m to date) and will then progress to Fingall North, Reedy West and Pegasus
 - RCD programs to test conceptual targets south of Great Fingall at Yellow Taxi
 - AC programs planned to follow-up early encouragement from the Emerald Bore regional target north of Meekatharra



Q4, FY23 Outlook

Focus on safe and profitable ounces

- Drive operational efficiencies
- Expand Bluebird and Big Bell
- Right size Paddy's Flat and Starlight
- Review paused assets for restart

Drill – extend mine lives and test the next organic growth targets

- 7 rigs on res dev – Bluebird, Paddy's, Starlight and Big Bell
- 1 rig @ Great Fingall
- 1 rig @ Cuddingwarra

Reset the cost base by investing in the future

- CET Project – commission first hybrid power station in July
- **Build cash balance**
 - set business up for sustainable growth in FY24





Want to know more ?



Investor Relations

investor.relations@westgold.com.au



Media

peter.knight@westgold.com.au



[**www.westgold.com.au**](http://www.westgold.com.au)

ASX : WGX