



**ASX Announcement**  
5 August 2019

## Westgold to Demerge Polymetallic Assets

Westgold Resources Limited (**ASX:WGX**) (**Westgold**) is pleased to provide some further detail regarding its plans for its Northern Territory Polymetallic Assets.

The Polymetallic Assets, which include the Iron-Oxide-Copper-Gold Rover 1 discovery, are held by a wholly owned subsidiary of Westgold, Castile Resources Pty Ltd<sup>1</sup> (**Castile**). After considering the best way to unlock value for these assets for Westgold's shareholders, Westgold has proposed to demerge the wholly owned subsidiary (the **Demerger**).

Following the proposed Demerger, each Westgold shareholder will receive an entitlement to one (1) Castile share for each four (4) Westgold shares they own. Castile will have approximately 98 million shares on issue.

Castile also proposes to complete a fundraising by an entitlement issue to its shareholders who remain on its share register on the record date (to be confirmed in accordance with the ASX Listing Rules) on a 1:1 basis at \$0.20 per share, giving them the right (but not the obligation) to continue to participate in the advancement of Castile's exploration and development assets. Westgold is in advanced discussions with a proposed underwriter of the entitlement issue which is expected to provide a further net \$19 million of working capital for Castile and set Castile on the path to project development.

The Demerger remains subject to, among other things, Westgold shareholder approval, expected to be put to a vote at its AGM in late October. The notice of meeting seeking to obtain member approval for the Demerger will provide information about the advantages and disadvantages of the Demerger, key risk factors facing Castile and key dates for the proposed transaction.

The Demerger also remains contingent on 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 or entitlement issue in its absolute discretion. Westgold will provide further updates in respect of the proposed Demerger as appropriate. On completion of approvals, Castile will look to list on the ASX during November 2019.

Castile has also entered into a Sale and Purchase agreement with Andromeda Metals Limited (**ASX:ADN**) (**Andromeda**) to acquire two additional tenements adjacent to the Rover 1 Project (the **Sale and Purchase Agreement**). Under the Sale and Purchase Agreement Castile will pay Andromeda \$650,000 to acquire the tenements and all mining information relating to them. The Rover 1 Deposit spans across the tenement boundary and by acquiring the tenements, Castile will have full ownership. The Sale and Purchase Agreement remains subject to Ministerial approval.

Westgold's Managing Director, Peter Cook said:

"This is an exciting development for Westgold, the Shareholders of Westgold, Castile and the NT economy.

Castile has a number of very exciting, virgin polymetallic discoveries which are worthy of their own aggressive exploration and development budgets. By placing these discoveries in their own vehicle I am hopeful some new mine developments creating substantial economic output and employment in the Tennant Creek region can be achieved.

The iron-oxide-copper gold discovery at Rover 1 is particularly exciting with high grade on a gold-equivalence basis making it particularly attractive as a new mine development. For Westgold, it will complete another phase of purification of its asset base to further concentrate our focus on our core Murchison Region gold assets."

1 To be converted into a public company.

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## About Castile

Castile currently holds two projects, the Rover Project and the Warumpi Project.

### The Rover Project

The Rover Project is located in the Tennant Creek goldfield. The Rover Project is comprised of the Rover 1, Explorer 108 and Explorer 142 discoveries.

The Tennant Creek gold field has historically been one of Australia's richest fields noted for its high grades and polymetallic deposits with over 5.5 Moz of gold produced at an average grade of 19.3 g/t Au and almost 500 kt copper at an average grade of 2.9% Cu.

The Tennant Creek area is known for its iron-oxide-copper gold (**IOCG**) ore systems and highly magnetic signatures.

Rover 1 lies under 200 metres of transported cover with the Resource located at a vertical depth of between 300 metres and 600 metres. Drilling has tested the Rover 1 system to a depth of over 1 km and continued to return high grade intercepts, including 6 m @ 9.5 g/t Au and 9 m @ 6.0 g/t Au within what may be a parallel ore lode. Rover 1 has an approved decline development plan to upgrade the current resource base of ≈4,000 ounces AuEq per vertical meter. The Mineral Resource of 6.8 Mt @ 6 g/t AuEq is yet to be updated for recent drilling and improved Australian Dollar commodity prices. Please refer to the JORC Resources Table below for further Mineral Resource information relating to the Rover Project.

Rover 1 is considered to be a look alike in terms of size, dimension and potential to the prolific Warrego mine which produced 6.75 Mt @ 6.6 g/t Au and 1.9% Cu for 1.4 Moz gold and 147 kt copper and is the largest producer to date in the Tennant Creek field. The Resource estimate also contains 0.06% Co and 0.14% Bi.

Explorer 108 is located approximately 20 km west of Rover 1 and typifies the prospectivity of the region with the 11.9 Mt lead-zinc-silver deposit open at depth. Drilling results include 40 m @ 4.3% Zn and 2.2% Pb and extends towards the Curiosity prospect which is approximately 300 metres south of Explorer 108 and includes a first hole drill intercept of 11.7 m @ 3.7% Pb, 4.9% Zn, 0.24% Cu and 1 g/t Au.

Explorer 142 is located approximately 25 km west of Rover 1 and has shown excellent copper potential. The deposit is also under ≈100 metres to 120 metres of cover and is hosted within a 20 metre wide east-west striking shear that continues for over 400 metres.

### The Warumpi Project

The Warumpi Project is located approximately 300 km west of Alice Springs and approximately 500 km south-west of the Rover Project and covers most of the tenure of the Warumpi Province in the West Arunta block in south west Northern Territory.

Access to the Warumpi Project is via the Stuart Highway, the Tanami Road and then via the Gary Junction Road through to the tenements. The settlement of Mount Liebig is on the eastern boundary of the Warumpi Project.

The Warumpi area was targeted by Westgold due to the regions age of 1,690 - 1,610 Ma which was part of a particularly significant epoch in the evolution of the Australian continent. It was during this period when world class strata bound Pb-Zn-Ag deposits of Broken Hill (1,690 Ma), Mt Isa (1,654 Ma), Macarthur River (1,640 Ma) and Century (1,610 Ma) were formed and Warumpi is believed to hold similar potential.

The Warumpi Project is an extremely exciting grass roots opportunity and was discovered via an outcropping gossan which rock chipped 9.9% Cu, 4.7% Zn and 120 g/t Ag. The Warumpi Project has never been drilled and represents an exciting virgin field.

## Enquiries

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**WESTGOLD RESOURCES LIMITED**  
**Northern Territory Polymetallic Projects**  
**Mineral Resource Statement - Rounded for Reporting**  
**as at 30/6/18**

	Gold			Silver			Copper			Bismuth			Cobalt			Lead			Zinc			
Project	k tonnes	Grade	k oz	k tonnes	Grade	k oz	k tonnes	Grade	k t metal	k tonnes	Grade	k t metal	k tonnes	Grade	k t metal	k tonnes	Grade	k t metal	k tonnes	Grade	k t metal	
<b>Indicated</b>																						
Explorer 108	-	-	-	8,438	14.32	3,886	5,689	0.36%	20.3	-	-	-	-	-	-	8,438	2.05%	172.8	8,438	3.41%	288.1	
Explorer 142	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rover 1	2,741	2.42	213	2,741	2.33	205	2,741	1.42%	38.9	2,741	0.18%	4.9	2,741	0.04%	1.1	-	-	-	-	-	-	
<b>Sub-Total</b>	<b>2,741</b>	<b>2.42</b>	<b>213</b>	<b>11,179</b>	<b>11.38</b>	<b>4,091</b>	<b>8,430</b>	<b>0.70%</b>	<b>59.2</b>	<b>2,741</b>	<b>0.18%</b>	<b>4.9</b>	<b>2,741</b>	<b>0.04%</b>	<b>1.1</b>	<b>8,438</b>	<b>2.05%</b>	<b>172.8</b>	<b>8,438</b>	<b>3.41%</b>	<b>288.1</b>	
<b>Inferred</b>																						
Explorer 108	-	-	-	3,430	3.32	366	-	-	-	-	-	-	-	-	-	3,430	1.88%	64.3	3,430	2.81%	96.5	
Explorer 142	176	0.21	1	-	-	-	176	5.21%	9.2	-	-	-	-	-	-	-	-	-	-	-	-	
Rover 1	4,073	1.27	166	4,073	1.90	249	4,073	1.06%	43.2	4,073	0.11%	4.5	4,073	0.08%	3.3	-	-	-	-	-	-	
<b>Sub-Total</b>	<b>4,249</b>	<b>1.23</b>	<b>168</b>	<b>7,503</b>	<b>2.55</b>	<b>614</b>	<b>4,249</b>	<b>1.23%</b>	<b>52</b>	<b>4,073</b>	<b>0.11%</b>	<b>4</b>	<b>4,073</b>	<b>0.08%</b>	<b>3</b>	<b>3,430</b>	<b>1.78%</b>	<b>64</b>	<b>3,430</b>	<b>2.81%</b>	<b>96</b>	
<b>Total</b>																						
Explorer 108	-	-	-	11,868	3.32	4,252	5,689	-	20.3	-	-	-	-	-	-	11,868	1.88%	237.2	11,868	2.81%	384.6	
Explorer 142	176	0.21	1	-	-	-	176	5.21%	9.2	-	-	-	-	-	-	-	-	-	-	-	-	
Rover 1	6,814	1.27	380	6,814	1.90	454	6,814	1.06%	82.1	6,814	0.11%	9.4	6,814	0.08%	4.4	-	-	-	-	-	-	
<b>Grand Total</b>	<b>6,990</b>	<b>1.69</b>	<b>381</b>	<b>18,682</b>	<b>7.83</b>	<b>4,706</b>	<b>12,679</b>	<b>0.88%</b>	<b>111.6</b>	<b>6,814</b>	<b>0.14%</b>	<b>9.4</b>	<b>6,814</b>	<b>0.06%</b>	<b>4.4</b>	<b>11,868</b>	<b>2.00%</b>	<b>237.2</b>	<b>11,868</b>	<b>3.24%</b>	<b>384.6</b>	

### Exploration Results

The information in this report that relates to Exploration Results is based on information compiled Mr Jake Russell B.Sc. (Hons) MAIG. Mr Russell 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 Editions of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012)". 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 a full time senior employee 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.

### Mineral Resources

The information is extracted from the reports entitled '2018 Annual Update of Mineral Resources & Ore Reserves' created by Westgold on 1 October 2018 and 'Amended Announcement - 2018 Annual Update of Mineral Resources & Ore Reserves' created by Westgold on 2 October 2018 and are available to view on Westgold's website ([www.westgold.com.au](http://www.westgold.com.au)) and the ASX ([www.asx.com.au](http://www.asx.com.au)). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.