

## CMGP's Second Underground Mine Commences

The Board of Westgold Resources Limited (**ASX:WGX**) (**Westgold**) is pleased to advise that the Company has now commenced its second underground mine at the Central Murchison Gold Project (**CMGP**). Westgold's second mine at the CMGP has begun with the successful cutting of the portal at the Comet Underground Mine.



Comet is located near the town of Cue and serves as an ramp up option at the CMGP whilst de-watering and re-establishment of the Big Bell underground mine occurs. The Comet Prospects were acquired in February 2016 and have a total mineral resource estimate of 2.85 million tonnes at 3.52 g/t containing 323,000 ounces. To date, work has focussed on a subset known as the Comet Group (2.35 million tonnes @ 3.94 g/t Au containing 297,273 ounces).

An initial ore reserve estimate for the underground mine is 1.4 million tonnes at 3.43 g/t Au containing 166,000 ounces (as previously announced, refer Metals X Limited ASX Announcement of 18 August 2016 (ASX:MLX)). The Comet Underground Mine is expected to be mined over the next four years.

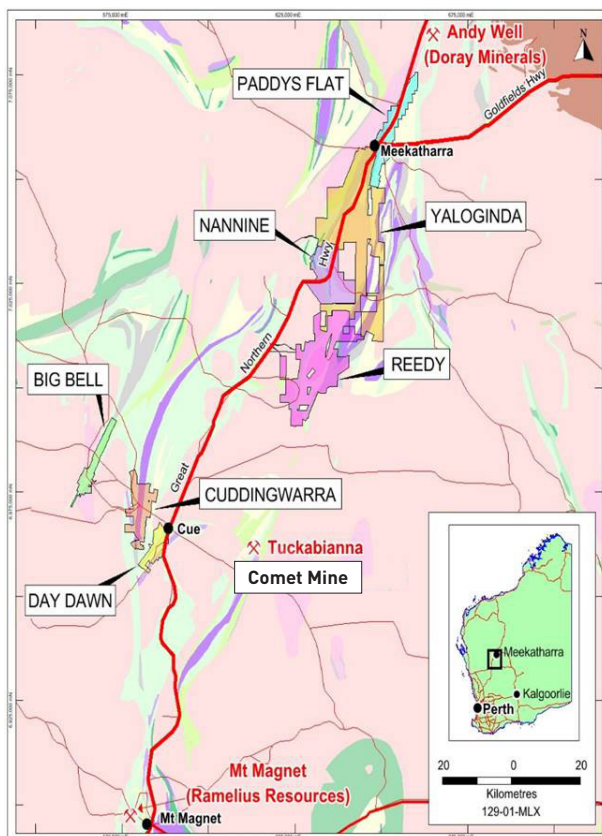
The underground mining contract was awarded to Australian Contract Mining as an expansion of the Paddy's Flat Contract. The first ore drive is due to commence late in the ensuing quarter with ores carted to Bluebird (approximately 100 km) for processing. It is expected the mine can ultimately produce at a steady-state rate of approximately 400,000 tonnes per annum.

Westgold's Managing Director, Peter Cook said:

"Its pleasing to be able to start our first mining operation in the Southern Area of the CMGP with a higher grade underground development continuing to bolster our ramp-up in gold production. Comet provides a great stepping stone to lead into a re-start of Big Bell and is expected to provide up to 40,000oz per annum for an initial 4 years to the overall CMGP output. However, the ore system is shallowly drilled and remains open down-plunge, and we do expect to see this ore system continue at depth."

<b>Comet Gold Project</b>			
Mineral Resource Estimate (as at June 30 2016)			
<b>Prospect</b>	<b>K. tonnes</b>	<b>Grade</b>	<b>Oz's</b>
<b>Indicated Resources</b>			
Comet Group	1,575	4.3	217,940
Lunar			
Solar			
Venus/Mercury	275	1.66	14663
<b>Sub-total</b>	<b>1,850</b>	<b>3.91</b>	<b>232,603</b>
<b>Inferred Resources</b>			
Comet Group	771	3.3	79,333
Lunar	38	1.15	1,397
Solar	27	1.32	1,137
Venus/Mercury	161	1.59	8,260
<b>Sub-total</b>	<b>997</b>	<b>1.8</b>	<b>90,127</b>
<b>Total Mineral Resources</b>			
Comet Group	2,346	3.94	297,273
Lunar	38	1.15	1,397
Solar	27	1.32	1,137
Venus/Mercury	436	1.63	22,923
<b>Grand Total</b>	<b>2,847</b>	<b>3.52</b>	<b>322,730</b>

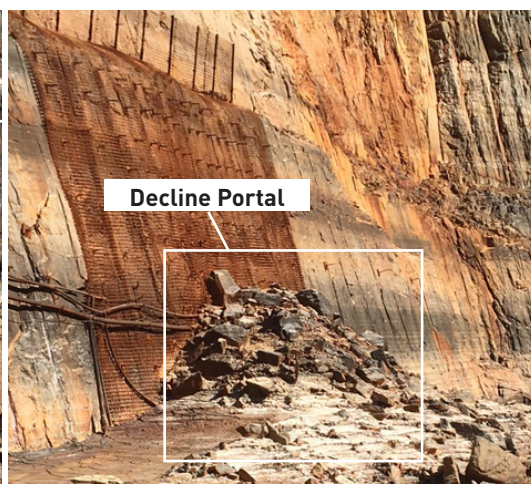
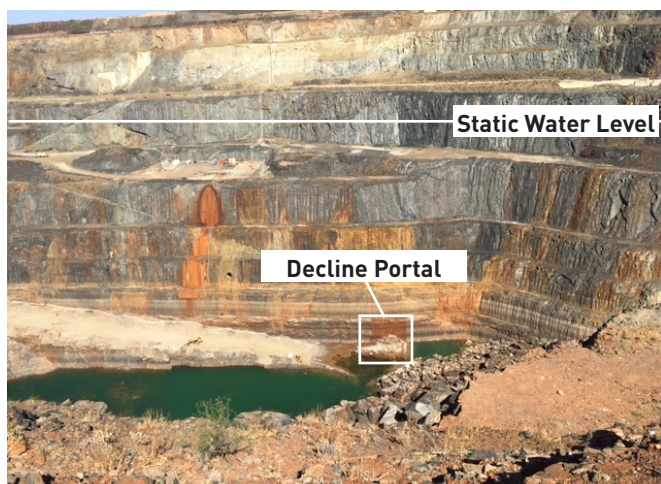
<b>Comet Gold Project</b>			
Ore Reserves (as at June 30 2016)			
<b>Prospect</b>	<b>K. tonnes</b>	<b>Grade</b>	<b>Oz's</b>
<b>Probable Ore Reserves</b>			
Comet Group	1501	3.43	165,547
<b>Sub-total</b>	<b>1,501</b>	<b>3.43</b>	<b>165,547</b>
<b>Total Ore Reserves</b>			
Comet Group	<b>1,501</b>	<b>3.43</b>	<b>165,547</b>
<b>Grand Total</b>	<b>1,501</b>	<b>3.43</b>	<b>165,547</b>



The CMGP's first underground mine, Paddy's Flat, has progressively ramped over the past year and is now at steady-state production. In-line with the CMGP development strategy, the Comet Underground Mine is now being developed.

The CMGP started with a mix of open pit and underground feeds. The long-term strategy for the CMGP is to have predominately higher grade underground sources providing the bulk of long term feed. At the CMGP the Big Bell mine will ultimately become the largest of our underground mines at approximately one million tonnes per annum at 3.5 g/t when it reaches its full output.

The progressive de-watering of Big Bell has been going for over nine months. Significant progress has been achieved and the portal is now well exposed. It is expected that Westgold will begin refurbishing the decline by mid 2017.



## Enquiries

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 rod.corps@westgold.com.au Competent Persons Statement

### **Competent Persons Statement – Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr. Peter Cook (BSc Applied Geol, MSc (Min Econ), MAusIMM) who is a full time employee and director of Westgold Limited. Mr. Cook has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Cook consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr. Cook is eligible to participate in short and long term incentive plans of and holds shares and options in the company as has been previously disclosed.

### **Forward Looking Statements**

This announcement may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Westgold, the Directors and our management. Westgold cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.find