



Positive Scoping Study for Rover 1

Westgold has completed a scoping study on its maiden JORC compliant 1.0M gold equivalent ounce resource at Rover 1 as a preliminary assessment of its commercial viability and to determine the requirements for detailed feasibility study estimates. Drilling is continuing at the Rover 1 deposit, in the knowledge that the ore system remains open and further expansion of the resource is likely. In addition, the Company has commenced drilling at the nearby Explorer 142 Cu-Au prospect and plans to test other targets in the region as any new discovery could result in a significant expansion of resources.

Westgold is pleased to advise this first pass assessment has returned strongly positive outcomes.

The key outputs of the scoping study are:

- An underground mine development accessed via a single decline.
- A stand alone 400,000 tonnes per annum processing plant that may be increased to 600,000 tonnes per annum depending on future resource upgrades.
- Production of Gold Bullion and a Copper Concentrate with additional co-product credits from cobalt and bismuth. Gold and copper representing approximately 85% of the total revenue.
- Capital Cost estimate of \$101m, which is made up of:
 - Mine Development (Pre-Production) \$20M
 - Processing Plant and site infrastructure \$75M
 - Mine fixed plant and equipment \$6M
- Cash Operating Cost estimates of \$121/tonne, which is made up of:
 - Mining \$46/t
 - Ore Processing \$47/t
 - Administration, Royalties and Concentrate costs \$28/t
- The project produces 35,000 ounces of gold and 4,000 tonnes of copper per annum and for benchmarking purposes this would be equivalent to a cash operating cost of \$185/oz of gold after copper credits. Alternatively, if copper is considered as a gold equivalent annualised output, this equates to approximately 60,000 ounces per annum at a cash operating cost of \$580/oz.

The net cash flow (before tax) is estimated to be **\$118M**. Westgold has assessed the impact of a larger resource as indicated from current drilling and extensions to the ore system. Increases to the resource of 50% and 100% were modelled and returned a range of potential net cash flows (before tax) of between **\$217M** and **\$394M** respectively. Similarly, using current gold and copper prices and exchange rates the resultant net cash flow would increase from the above \$118M to approximately **\$200M** based on the current JORC-compliant resource used in this study.

Apart from higher grades, higher metal prices and the expected resource increases the study has determined that improvements in metallurgical recoveries are also a strong driver of higher returns. Westgold has commenced a phase of detailed metallurgical assessment to finalise process design and recovery of metals.

Westgold has re-scheduled the drilling at Rover 1 to continue through the Northern Territory wet season (January to March) with the specific aim of further quantifying the limits of the ore system and further defining the overall size of the resource base in readiness for detailed feasibility studies.

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Exploration drilling is also underway at the Explorer 142 Cu-Au prospect, located 30km to the west and within trucking distance of Rover 1. This is one of the many additional targets that remain to be drill tested throughout the Company's extensive landholding in the region.

By continuing the drilling programme Westgold plans to be in a position to progress Rover 1 into the detailed feasibility studies phase in the second half of 2011.

Specialist metallurgical engineering and construction group, GR Engineering has designed the plant processing flowsheet and completed capital and operating cost estimates for project development. The flow-sheet adopted was similar to those used at historic Tennant Creek operations, but using modern reagents to optimise recovery and minimise cost. The stated accuracy of the GR Engineering cost estimation is $\pm 35\%$.

Underground mine costing has been completed using detailed stope and development designs with typical industry contract mining rates applied.

Metal prices used in the study are US\$1,100/oz for Au, US\$7,000/t for Cu, US\$15,000/t for Bi and US\$45,000/t for Co and an exchange rate of AUS\$1:US\$0.90. Notably the current prices of gold (US\$1345/oz) and copper (US\$8,100/t) are significantly higher than the values used in this study. Estimated royalties were included in all models.

Managing Director Andrew Beckwith said "The outcome of this initial assessment is very positive, confirming a significant development proposal at Rover 1 is viable and likely. We are still drilling and the ore system remains open at depth which continues to improve the project. This is a major milestone for the Company, shareholders and other associated stakeholders. We are on a path that should see Rover 1 become the first mine in this New Australian Gold and Copper Province."

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Competent Person's Statement

The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Andrew Beckwith (B.AppSc.) who is a full time employee of Westgold Resources Limited, is a member of the AusIMM. Mr Beckwith 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Exploration and Production Targets

Exploration and Production 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 Exploration target.

Disclaimer

This release has been prepared by Westgold Resources Limited ("Westgold" or the "Company"). This release 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.

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(1) Rover 1 Resource Background (refer to ASX release dated 23 February 2010)

The Rover 1 maiden JORC Mineral Resource estimate comprises **5.3Mt at 6.1g/t gold equivalent for 1,037,600 gold equivalent ounces** (Table 1) and importantly includes internal high-grade gold and copper zones totalling **2.4Mt at 9.3g/t gold equivalent for 728,700 gold equivalent ounces** (Table 2).

Rover 1 is the first major Iron Oxide Copper Gold (IOCG) system discovered in the Rover Mineral Field and has significant further potential as mineralisation remains open in most directions, particularly along strike and down-plunge. The gold-copper-silver-cobalt-bismuth sulphide rich mineralisation occurs overprinting highly altered and deformed Proterozoic-aged sediments and massive hematite and magnetite ironstones and resembles the mineralisation style evident in many of the nearby Tennant Creek historical mines.

Drilling with two drill rigs is currently underway for further extensions to the overall Rover1 system.

Table 1: Rover 1 – Total Mineral Resource Estimate (2.5g/t AuEq cut-off)

Classification	Tonnes	AuEq g/t	Au g/t	Ag g/t	Bi %	Co %	Cu %	AuEq Oz
Indicated	588,000	14.6	8.5	3.7	0.3	0.1	1.7	276,600
Inferred	4,742,000	5.0	1.3	2.0	0.1	0.1	1.0	761,000
Total	5,330,000	6.1	2.1	2.2	0.1	0.1	1.0	1,037,600

Rounding errors may occur

Table 2: Rover 1 – Internal High-Grade Gold and Copper Zones (using 2.5g/t Au or 1% Cu cut-offs)

Classification	Tonnes	AuEq g/t	Au g/t	Ag g/t	Bi %	Co %	Cu %	AuEq Oz
Indicated	588,000	14.6	8.5	3.7	0.3	0.1	1.7	276,600
Inferred	1,862,000	7.6	2.5	2.1	0.2	0.1	1.5	452,100
Total	2,450,000	9.3	4.0	2.5	0.2	0.1	1.5	728,700

Rounding errors may occur

For additional information please refer to the Company website: www.westgold.com.au.

Gold Equivalence

The Gold Equivalence calculation represents total metal value for each metal assuming 100% recovery, summed and expressed in equivalent gold grade or ounces. The prices used in the calculation being US\$1,100/oz Au, US\$7,000/t Cu, US\$21.0/lb Co, US\$7.5/lb Bi and US\$15.0/oz Ag and approximate metal prices as at 18 Feb 2010.

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