

WESTGOLD DELIVERS FY22 GUIDANCE, ENHANCES OPERATIONAL BASE AND RELEASES FY23 GUIDANCE

SUMMARY

- Strong finish to the year with record Q4 production of 72,597 ounces (oz)
- Delivered record full year gold production of 270,884 oz (2021: 245,411oz)
- Record production delivered higher revenue of \$647.6 million (2021: \$571.2 million)
- AISC (post audited financials) of \$1,692/oz (2021: \$1,411/oz), outperforming on cost guidance amid the current inflationary environment
- Non-cash impairment charge of \$175 million reflected in the profit results, cleanses balance sheet and supports reset of operational base
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$209.2 million (2021: \$252.0 million)
- Net loss after tax of \$111.1 million (2021: profit of \$76.8 million)
- Closed FY22 debt free and with a bolstered liquidity position of \$182.7 million (2021: \$150.7 million)
- Refreshed Board and management team underpinning reinvigorated strategic direction
- Conservative FY23 production and cost guidance set amid current industry-wide inflationary and supply chain pressures: 240,000 - 260,000oz at an ASIC of \$1,900 - \$2,100oz
- Robust cash position facilitates \$60 million of growth capital and \$20 million of exploration in FY23 as Westgold positions itself for growth in FY24 and beyond

Westgold Resources Limited (**ASX: WGX - Westgold** or the **Company**) is pleased to report its financial results for the year ended 30 June 2022 (FY22).

Westgold Managing Director, Wayne Bramwell, commented:

“FY22 was a year of major, but successful, transition for Westgold as we delivered on our production guidance to achieve a record result of 270,884oz.

We made significant strides in resetting and enhancing our operational base despite the challenging macro environment. I am very proud of the whole Westgold team for how they collectively navigated industry-wide headwinds that included supply chain and labour availability constraints, lingering COVID impacts and unrelenting cost inflation.

In light of these challenges, the renewed leadership team has pragmatically cleansed our balance sheet and enhanced our liquid assets, with the Company debt free and holding an extremely healthy \$182.7 million cash and cash equivalents position, which is \$32 million higher compared to the prior corresponding period.

Crucially, we are swiftly implementing long-term cost control measures, which are already yielding tangible results, such as executing new power and gas contracts that will deliver cost savings of at least \$100/oz at the current diesel price into FY24. Westgold’s long-term organic growth plans are fully funded, and we are consolidating our operations until the current cost and supply chain pressures ameliorate.”

For personal use only



FY23 GUIDANCE

Westgold is pleased to provide the following production and cost guidance for financial year 2022-23 [FY23].

FY23 GUIDANCE	GROUP
Production (oz)	240,000 - 260,000
AISC (\$/oz)	1,900 - 2,100
Growth Capital (\$M) ¹	60
Exploration (\$M) ²	20

- 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

Westgold Managing Director, Wayne Bramwell commented:

“Westgold has taken a conservative approach to FY23 guidance due to the uncertainties created by the current inflationary environment and ongoing supply chain constraints.

We are proactively simplifying our operating model with the key being to make our biggest mines bigger and more profitable, as cost inflation disproportionately impacts smaller scale operations. Big Bell, Bluebird and Starlight undergrounds have scale and are increasingly operating at, or above, design production levels. As such, the Group’s reliance on more cost sensitive, smaller tonnage operations are set to diminish, which will provide greater financial upside.

It is a testament to the inherent flexibility of our business that the cessation of open pit mining last quarter and planned operational pauses at the smaller Comet and Fender underground mines this quarter does not materially affect FY23 guidance. Our expenditure will drop as we monetise the large surface stockpiles that we have accumulated over the past year and the reset of our operating model provides the immediate opportunity to redeploy equipment and personnel into our larger, more profitable mines.

Until the cost landscape stabilises it is prudent to consolidate our production during FY23. Westgold is now structured to do this as we are debt free, and our balance sheet is strong. Critically our growth plans are well funded, and the team is focussed on building a stronger platform from which to achieve long-term growth.”

ENDS

THIS ANNOUNCEMENT IS AUTHORISED FOR RELEASE TO THE ASX BY THE BOARD

CORPORATE AND INVESTOR RELATIONS ENQUIRIES

Wayne Bramwell | Managing Director
Investor.Relations@westgold.com.au

+61 8 9462 3400
www.westgold.com.au



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.