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WESTGOLD
RESOURCES LIMITED

ACN 009 260 306

HALF-YEAR FINANCIAL REPORT
FOR THE PERIOD ENDED
31 DECEMBER 2022



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CORPORATE DIRECTORY

DIRECTORS

Hon. Cheryl Edwardes AM (Non-Executive Chair)
Wayne C Bramwell (Managing Director)
Fiona J Van Maanen (Non-Executive Director)
Gary R Davison (Non-Executive Director)
Julius L Matthys (Non-Executive Director)
David Kelly (Non-Executive Director)

COMPANY SECRETARY

Susan Park

SENIOR EXECUTIVES

Su Hau Heng (Chief Financial Officer)
Phillip Wilding (Chief Operating Officer)

REGISTERED OFFICE

Level 6, 200 St Georges Terrace
Perth WA 6000

P: +61 8 9462 3400

E: reception@westgold.com.au

W: www.westgold.com.au

POSTAL ADDRESS

PO Box 7068
Cloisters Square WA 6850

SECURITIES EXCHANGE

Listed on the Australian Securities Exchange
ASX Code: WGX

SHARE REGISTRY

Computershare Investors Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

P: +61 3 9415 4000

F: +61 3 6473 2500

W: www.computershare.com

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Australia



APPENDIX 4D - RESULTS FOR ANNOUNCEMENT TO THE ASX

This Appendix 4D is to be read in conjunction with the 2022 Annual Financial Report, the 31 December 2022 Half-year Financial Report and Directors' Report.

DIVIDEND INFORMATION

The directors do not propose to pay any dividend for the half-year ended 31 December 2022.

CONSOLIDATED RESULTS

Consolidated	31 December 2022	31 December 2021	Movement \$	Movement %
Revenue from ordinary activities ¹	\$314,993,177	\$311,019,625	\$3,973,552	1%
Cost of sales	(\$325,822,033)	(\$278,893,468)	(\$46,928,566)	17%
(Loss)/Profit from ordinary activities after tax attributable to members	(\$11,142,886)	\$19,928,056	(\$31,070,942)	(156%)
Net (loss)/profit attributable to members	(\$11,142,886)	\$19,928,056	(\$31,070,942)	(156%)
Cash inflow from operating activities	52,599,973	\$86,757,469	(\$34,157,496)	(39%)
Cash outflow used in investing activities	(\$83,824,119)	(\$114,568,200)	(\$30,744,081)	(27%)
Cash outflow used in financing activities	(\$7,895,972)	(\$22,563,318)	(\$14,667,346)	(65%)
Cash costs per ounce	\$1,844	\$1,465	\$379	26%
All-in sustaining costs per ounce	\$2,071	\$1,646	\$425	26%
Gold produced	128,228 oz	132,861 oz	(4,453)	(3%)
Consolidated	31 December 2022	30 June 2022	Movement \$	Movement %
Assets	\$785,812,921	\$827,174,574	(\$41,361,653)	(5%)
Liabilities	\$209,208,214	\$239,407,117	(\$30,198,903)	(13%)
Net Assets	\$576,604,707	\$587,767,457	(11,162,750)	(2%)
Cash and cash equivalents	\$143,581,384	\$182,701,502	(\$39,120,118)	(21%)
Financial assets at fair value through profit and loss	\$6,374,335	\$6,799,309	(\$424,974)	(5%)
Net tangible assets per share ²	\$1.22	\$1.24	(\$0.02)	(2%)

1. Revenue from ordinary activities relates to revenue from contracts with customers from continuing operations.
2. Net tangible assets include right-of-use assets.

ANALYSIS OF CONSOLIDATED RESULTS

- **Revenue:** Reflects the increase in the achieved gold price of \$76/oz (3%) offset by a decrease in gold produced of 4,453 ounces (3%) with the operational changes for the half-year ended 31 December 2022
- **Cost of sales:** The increase was driven by industry-wide inflationary pressures on all business inputs.
- **All-in sustaining cost per ounce:** The increase of \$425/oz is due to the cost of key mining inputs including fuel (which increased by 82%) coupled with material increases in ground support, labour, explosives and support services.
- **Assets:** the decrease is a result of a non-cash impairment that was recognised at 30 June 2022.
- **Cash and cash equivalents:** The decrease in cash and cash equivalents was predominantly driven by industry-wide inflationary pressures on the key mining inputs.



DIRECTORS' REPORT

The Directors submit their report together with the financial report of Westgold Resources Limited (Westgold or the Company) and of the Consolidated Entity, being the Company and its controlled entities (the Group), for the half year ended 31 December 2022.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- Hon. Cheryl L Edwardes AM (Non-Executive Chair)
- Wayne C Bramwell (Managing Director)
- Fiona J Van Maanen (Non-Executive Director)
- Gary R Davison (Non-Executive Director)
- Julius L Matthys (Non-Executive Director)
- David N Kelly (Non-Executive Director, appointed on 5 November 2022)

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG)

Westgold aspires to being a safe, responsible and progressive mining company. Westgold supports the communities it works within both directly and indirectly and enabler of the economically sustainable outputs from mining in the region and providing services to the towns and communities in which we operate.

With respect to community, our operations also cover the sacred lands of first nation peoples and their descendants. We respect their lands and its heritage and strive to ensure we operate in a manner conducive with the spirit of our land access agreements.

As a company our approach to ESG continues to evolve. As an organisation we must continually strive to meet the expectations of our shareholders and stakeholders so as to deliver better outcomes across these three key business areas. We continue to take a pragmatic approach to ESG with a metered and systematic approach to build capacity in these areas and show an ongoing commitment to improve and, as the custodians of shareholder assets and funds, understand that our primary objective is to create sustainable shareholder wealth. We acknowledge that this objective must be balanced with ensuring that we maintain our social license and protect the environment and the communities in which we operate.

Further detail on the Company's Environmental & Community Policy and Core Values are detailed on the Company's website.

Westgold's key environmental, health and safety (EH&S) performance metrics demonstrate significant improvement over the last period because of the continued focus on enhancing our safety systems through leadership engagement, implementation of our FY23 EH&S strategy, and increased compliance to management plans.

The table below shows the key measures over the period for lost time injury frequency rate (LTIFR) and total reportable injury frequency rate (TRIFR), both outlining significant improvement over this time.

Group	31 December 2022		30 June 2022	
	LTIFR	TRIFR	LTIFR	TRIFR
Total	0.60	14.36	1.41	22.91



COVID-19 Impacts and Response

All Westgold sites and facilities had COVID-19 clusters across the half-year, however due to the robust nature of our internally developed COVID-19 systems and processes this has not materially impacted the business over this time.

The Westgold Management Team continues to monitor the impact of COVID-19 in the community and our effectiveness of control measures in line with the COVID-19 risk presented over the weeks and months ahead.

Labour shortages in the resources sector persisted during 2022. Like most WA mine operators, Westgold seeks to, where possible, supplement its operational teams with contract staff to fill vacant positions. The use of contract staff (when available) comes at a higher cost, with the resultant skills shortage and supply chain pressure-related knock-on cost impact in Western Australia continues unabated.

REVIEW OF OPERATIONS

Westgold's operates in the Murchison and Bryah regions of Western Australia. Our Murchison business unit encompasses our Meekatharra and Cue operations and is viewed as one business unit with two processing plants. Westgold retains the operational flexibility to mine and process ore at either processing hub to maximise operational efficiencies. The Bryah business unit singularly encompasses the Fortnum operation.

Group Operational Results

- Consolidated total loss after income tax of \$11,142,866 (2021: Profit \$19,928,056);
- Total consolidated revenue of \$314,993,177 (2021: \$311,019,625);
- Total cost of sales of \$325,822,033 (2021: \$278,893,468);
- Cash flows from operating activities of \$52,599,973 (2021: \$86,757,469);
- Cash flows used in investing activities of \$83,824,119 (2021: \$114,568,200);
- Cash flows used in financing activities of \$7,895,972 (2021: \$22,563,318).

Financial outcomes reflect a loss of \$11,142,886 supported by an increase in consolidated revenue to \$314,993,177 in comparison to the prior period due to an increase in the achieved gold price of \$2,434/oz.

Cost of sales of \$325,822,033 included \$76,771,334 for depreciation and amortisation expenses. The increase in comparison to the previous period reflects the impact of the higher cost environment being experienced across the resources industry as well as the increased ore production.

Cash flow used in investing activities included investments in property, plant and equipment of \$18,434,865 mainly associated with surface and underground mining equipment.

Cash flows used in financing activities of \$7,895,972 include payment of hire purchase arrangements associated with surface and underground mining equipment.

Decrease in inventories of \$7,486,200 represents mainly the monetisation of ore stocks previously built-up to mitigate potential supply chain and / or weather disruptions to operations.

Dividends

The directors do not propose to pay any dividend for the half-year ended 31 December 2022.



REVIEW OF OPERATIONS (CONTINUED)

Preamble

Westgold Resources Limited (ASX: WGX) is the dominant explorer, developer, operator and gold mining company in the Murchison and Bryah regions with a workforce of under 1,000 people. We currently operate four underground mines and three processing plants with an installed processing capacity of ≈4 Mtpa across our tenure of over 1,300 km².

Westgold is an owner-operator of its underground mines and this vertical capability provides greater cost control and operating flexibility across the Company's assets. We operate on a 'hub and spoke' model with our Murchison mines being able to deliver ore to either of our Bluebird and Tuckabianna processing hubs. The Bryah mines deliver ore to our Fortnum processing hub.

During the half-year the Group produced at an annualised rate of circa 260,000oz per annum in line with its FY23 guidance of 240,000oz to 260,000oz.

Corporate

During the half-year the Company did not issue any shares and at the end of the reporting period the Company had 473,622,730 fully paid ordinary shares on issue.

The Group's hedge book at 31 December 2022 stands at 70,000 ounces at an average price of A\$2,463/oz. Deliveries are scheduled at 10,000 ounces per month from January 2023 to July 2023. The Company has reduced its overall hedging by 78,000 ounces during the half-year.

Consolidated Operational Results

The Group reported a steady increase in revenue compared to the previous corresponding period with a 3% increase in the achieved gold price despite a decrease in gold produced.

Group	Unit	Half-year ended 31 December 2022	Half-year ended 31 December 2021
Ore Processed	t	1,837,504	1,938,961
Head Grade	g/t	2.4	2.4
Recovery	%	90	90
Gold Produced	oz	128,228	132,861
Gold Sold	oz	129,389	131,917
Achieved Gold Price	A\$/oz	2,434	2,358
Cash Cost (produced oz)*	A\$/oz	1,844	1,465
All-in Sustaining Costs**	A\$/oz	2,071	1,646
All-in Costs***	A\$/oz	2,465	2,307

* Cash Cost: represents the cost for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles) and royalties. It includes net proceeds from by-product credits but excludes capital costs for exploration, mine development and plant and equipment.

** All-in Sustaining Cost (AISC): is made up of the cash cost plus sustaining capital expense and general corporate and administration expenses.

*** All-in Cost (AIC): is the total project expenditure including AISC, growth capital and discovery expenditure.

Note that Cash Costs, AISC and AIC are non-IFRS measures and have not been audited. These are widely used "industry standard" terms that certain investors use to evaluate company performance.



REVIEW OF OPERATIONS (CONTINUED)

Consolidated Financial Operational Results

Revenue increased over the previous corresponding period due to higher gold prices being achieved but was offset by lower production and sales. Overall 'Cash Costs of Sales' increased from the previous corresponding period due to cost inflation in key business inputs such as labour (staff and contractors), fuel, flights, critical spares and operating consumables.

Depreciation and amortisation charges decreased over the previous corresponding period and reflects the impact of mines put into care and maintenance during the half year.

Operation	Revenue		Cash Costs of Sales		Amortisation/Depreciation	
	2022	2021	2022	2021	2022	2021
	\$M	\$M	\$M	\$M	\$M	\$M
Murchison	244.2	236.4	198.3	160.8	63.1	53.2
Bryah	70.7	74.6	51.1	40.5	13.2	24.4
Other	-	-	2.7	-	0.5	0.5
Total	314.9	311.0	252.1	201.3	76.8	78.1

Capital Investment Activities

The approach to capital investment changed in this half year as the requirements diminished following years of high reinvestment in the business. The Big Bell underground mine within the Murchison Operations has moved into steady state operations from 1 April 2022 after several years of heavy capital reinvestment into this large sub-level cave operation with the design production levels achieved.

Cash flows used in investing activities totalled \$83,824,119. This is lower than the previous period of \$114,568,200 due to the reduction of capital investment at Big Bell and expenditure on replacement of capital plant and equipment associated with Westgold's wholly owned mine services division, Westgold Mining Services.

Across each major operating unit, investment compared to the previous year is summarised below by the categories Mine Properties & Development (MP&D), Exploration & Evaluation (E&E) and Plant & Equipment (P&E). P&E expenditure includes \$10,912,622 attributable to maintaining the mining fleet within the mining services division.

Operation	MP&D		E&E		P&E	
	2022	2021	2022	2021	2022	2021
	\$M	\$M	\$M	\$M	\$M	\$M
Murchison	46.5	69.7	9.5	7.9	11.2	14.5
Bryah	10.7	12.1	0.7	1.7	6.5	5.3
Other	-	-	-	-	0.7	0.3
Total	57.2	81.8	10.2	9.6	18.4	20.1

Annual Ore Reserve and Mineral Resource Updates

Westgold released its annual update of Ore Reserves and Mineral Resources on 6 October 2022. The Total Mineral Resource as of 30 June 2022 was 110 million tonnes at 2.24g/t containing 7.9 million ounces. The Ore Reserve as of 30 June 2022 was 26 million tonnes at 2.54g/t containing 2.1 million ounces.



REVIEW OF OPERATIONS (CONTINUED)

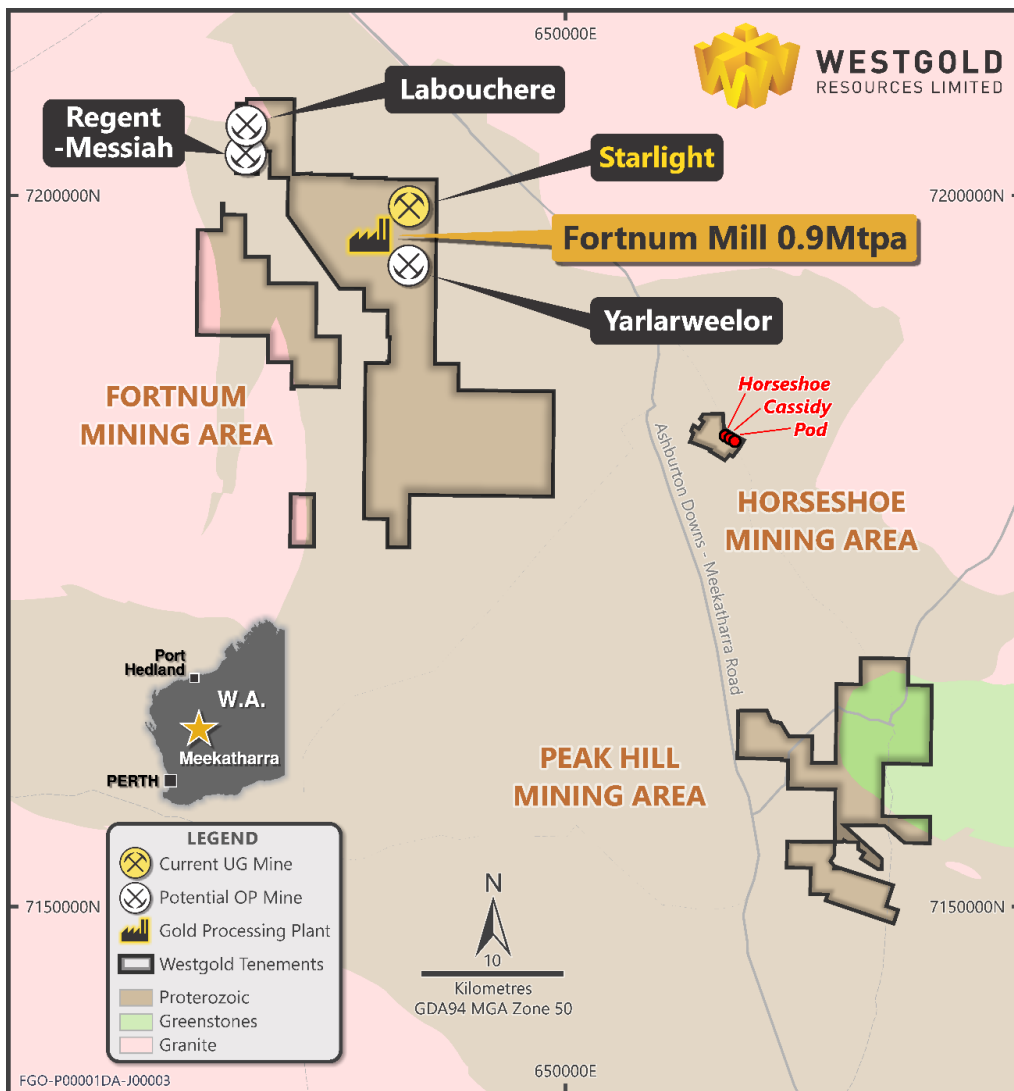
Bryah

Bryah comprises the Fortnum operations and encompass the historic mining centres of Starlight, Labouchere, Fortnum, Horseshoe and Peak Hill. The Fortnum processing hub is a CIP plant, with a throughput capacity of between 0.8 and 1 million tonnes per annum and includes a 200-person Village and airstrip and other services to function as an independent FIFO site.

Ore production for the half-year was predominantly from the Starlight underground mine, supplemented by feed from the existing large low-grade stockpiles. Gold production in the period was 28,619oz and lower to previous corresponding period of 32,033oz.

Significant additional capital works were completed in establishing long term ventilation, dewatering and egress networks for the expanding Starlight underground mine which is reflected in the marginal increase in MP&D in the Bryah over the previous corresponding period.

Underground exploration continues to successfully extend the Starlight lode system with three drills operating for the majority of the half. Recommencement of open pit mining is planned into the future to further bolster plant feed.



Westgold's Bryah Operations

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REVIEW OF OPERATIONS (CONTINUED)

Murchison

Murchison comprises the combined Meekatharra and Cue operations and is viewed as one business unit with two processing plants providing the operational flexibility to process ore at either processing hub.

Gold production decreased to 99,609oz from the previous corresponding period of 100,828oz.



Westgold's Murchison Operations

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REVIEW OF OPERATIONS (CONTINUED)

Meekatharra

Meekatharra encompasses the northernmost operating centre within the broader Murchison Operations. Its processing hub is a 1.6-1.8 million tonnes per annum CIP plant referred to as the Bluebird Mill. A 420-person village and other associated surface infrastructure services this operating hub.

Two underground mines provide ore to the Bluebird processing hub with the Paddy's Flat underground mine (10km north of the plant) the largest at approximately 700,000 tonnes per annum. The Bluebird underground mine is currently the second largest producer, heading to a planned rate of 600,000 tonnes per annum with likely further expansion. The South Emu – Triton underground mine was a small addition and was placed into care and maintenance early in the half.

Cue

Cue encompasses the southernmost operating centre within the broader Murchison Operations. Its processing hub is a 1.2-1.4 million tonne per annum CIP plant referred to as the Tuckabianna Plant. The Company operates two villages in the Cue region, one at the regional town of Cue (266-person capacity) and the other at Big Bell (148 person capacity)

Cue is dominated by the sub-level caving operations at the Big Bell underground mine (60km west of the plant), which is now operating at a 1.1-1.2 million tonnes per annum rate. The small Comet underground mine (15km south of the plant) entered care and maintenance mid way through the half with Big Bell producing the required feed in conjunction with the significant stockpiled ore in the region. Open pit mining ceased at the start of the half.

End of Directors' Report

AUDITOR'S INDEPENDENCE

The auditor's independence declaration is included on page 25 of this report.

Signed in accordance with a resolution of the directors.


Hon. Cheryl L Edwardes AM
Non-Executive Chair

23 February 2023



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022	31 December 2021
Continuing operations			
Revenue	3	314,993,177	311,019,625
Cost of sales		(325,822,033)	(278,893,468)
Gross (loss)/profit		(10,828,856)	32,126,157
Other income	4	2,836,979	1,416,624
Gain on disposal of property, plant and equipment	8	3,968,887	-
Finance costs		(3,242,436)	(450,829)
Administration expenses	5	(8,204,304)	(6,064,889)
Net (loss)/gain on fair value changes of financial assets		(424,974)	638,537
(Loss)/profit before income tax from continuing operations		(15,894,704)	27,665,600
Income tax benefit/(expense)		4,751,818	(7,737,544)
Net (loss)/profit for the year		(11,142,886)	19,928,056
Other comprehensive profit for the year, net of tax		-	-
Total comprehensive (loss)/profit for the year		(11,142,886)	19,928,056
Total comprehensive (loss)/profit attributable to:			
members of the parent entity		(11,142,886)	19,928,056
		(11,142,886)	19,928,056
(Loss)/earnings per share attributable to the ordinary equity holders of the parent (cents per share)			
Basic (loss)/earnings per share			
Continuing operations		(2.35)	4.69
Diluted (loss)/earnings per share			
Continuing operations		(2.35)	4.67



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	31 December 2022	30 June 2022
CURRENT ASSETS			
Cash and cash equivalents		143,581,384	182,701,502
Trade and other receivables		6,727,020	7,122,734
Inventories	6	88,595,889	96,082,089
Prepayments		3,927,661	5,427,078
Other financial assets		4,149,443	1,930,033
Total current assets		246,981,397	293,263,436
NON-CURRENT ASSETS			
Financial assets at fair value through profit and loss	7	6,374,335	6,799,309
Property, plant and equipment	8	141,532,548	147,916,103
Mine properties and development	9	268,748,076	263,803,557
Exploration and evaluation expenditure	10	114,853,286	104,577,467
Right-of-use assets	11	7,323,279	10,814,702
Total non-current assets		538,831,524	533,911,138
TOTAL ASSETS		785,812,921	827,174,574
CURRENT LIABILITIES			
Trade and other payables		71,652,873	88,017,524
Provisions		12,412,222	13,066,226
Interest-bearing loans and borrowings	12	20,700,161	22,842,019
Total current liabilities		104,765,256	123,925,769
NON-CURRENT LIABILITIES			
Provisions		68,624,855	69,669,839
Interest-bearing loans and borrowings	12	14,640,868	20,117,792
Deferred tax liabilities		21,177,235	25,693,717
Total non-current liabilities		104,442,958	115,481,348
TOTAL LIABILITIES		209,208,214	239,407,117
NET ASSETS		576,604,707	587,767,457
EQUITY			
Issued capital	13	463,232,813	463,468,148
Accumulated losses		(84,222,139)	(73,079,253)
Share-based payments reserve		16,100,402	15,884,931
Other reserves		181,493,631	181,493,631
TOTAL EQUITY		576,604,707	587,767,457



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 December 2022	31 December 2021
OPERATING ACTIVITIES		
Receipts from customers	314,992,078	311,019,625
Interest received	1,461,719	65,529
Receipts from other income	1,414,099	1,353,101
Payments to suppliers and employees	(264,357,775)	(225,002,923)
Interest paid	(910,148)	(677,863)
Net cash flows from operating activities	52,599,973	86,757,469
INVESTING ACTIVITIES		
Payments for property, plant and equipment	(18,434,865)	(20,172,205)
Payments for mine properties and development	(57,202,635)	(81,680,902)
Payments for exploration and evaluation	(10,275,819)	(9,693,866)
Payments for financial assets	-	(2,390,258)
Payments for performance bond facility	(2,500,000)	(780,584)
Proceeds from performance bond facility	280,590	-
Proceeds from sale of property, plant and equipment	4,308,610	149,615
Net cash flows used in investing activities	(83,824,119)	(114,568,200)
FINANCING ACTIVITIES		
Payment of hire purchase arrangements	(4,517,902)	(11,460,699)
Payment for lease liabilities	(3,378,070)	(4,777,834)
Proceeds from share issue	-	-
Payments for dividends	-	(6,324,785)
Net cash flows used in financing activities	(7,895,972)	(22,563,318)
Net increase /(decrease) in cash and cash equivalents	(39,120,118)	(50,374,049)
Cash and cash equivalents at the beginning of the financial year	182,701,502	150,684,029
Cash and cash equivalents at the end of the half-year	143,581,384	100,309,980



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued capital (note 13)	Accumulated losses	Share-based payments reserve	Equity reserve	Total Equity
2022					
At 1 July 2022	463,468,148	(73,079,253)	15,884,931	181,493,631	587,767,457
Loss for the half-year	-	(11,142,886)	-	-	(11,142,886)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive profit /(loss) for the half-year net of tax	-	(11,142,886)	-	-	(11,142,886)
Transactions with owners in their capacity as owners					
Share-based payments	-	-	215,471	-	215,471
Issue of share capital	-	-	-	-	-
Share issue costs, net of tax	(235,335)	-	-	-	(235,335)
Dividends paid	-	-	-	-	-
At 31 December 2022	463,232,813	(84,222,139)	16,100,402	181,493,631	576,604,707
2021					
At 1 July 2021	364,077,523	46,522,657	15,266,496	181,493,631	607,360,307
Profit for the half-year	-	19,928,056	-	-	19,928,056
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive profit for the half-year net of tax	-	19,928,056	-	-	19,928,056
Transactions with owners in their capacity as owners					
Share-based payments	-	-	918,895	-	918,895
Issue of share capital	2,157,835	-	-	-	2,157,835
Share issue costs, net of tax	(213,141)	-	-	-	(213,141)
Dividends paid	-	(8,482,619)	-	-	(8,482,619)
At 31 December 2021	366,022,217	57,968,094	16,185,391	181,493,631	621,669,333



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1. CORPORATE INFORMATION

The financial report of Westgold Resources Limited for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 23 February 2023.

Westgold is a for-profit company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange (ASX). The nature of the operations and principal activities of the Group are described in the Directors' Report.

The address of the registered office is Level 6, 200 St Georges Terrace, Perth, WA 6000.

2. SUMMARY OF ACCOUNTING POLICIES

(a) Basis of preparation of the half-year financial report

This general purpose condensed consolidated financial report for the half-year ended 31 December 2022 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report of Westgold for the year ended 30 June 2022 and considered together with any public announcements made by Westgold and its controlled entities during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX listing rules.

The financial report is presented in Australian dollars (A\$) unless otherwise specified.

(b) Basis of consolidation

The half-year financial report is comprised of the financial statements of Westgold (the Company) and its controlled entities (the Group).

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Controlled entities are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. There was no change in ownership of controlled entities during the period.

Where there is loss of control of a controlled entity, the consolidated financial statements include the results for the part of the reporting period during which the Company has control.

(c) New and amended accounting standards and interpretations

The Group has adopted all Accounting Standards and Interpretations effective from 1 July 2022. The accounting policies adopted are consistent with those of the previous financial year.

Several other new and amended Accounting Standards and Interpretations applied for the first time from 1 July 2022 but did not have an impact on the consolidated financial statements of the Group and, hence, have not been disclosed.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	Half-year ended 31 December 2022 \$	Half-year ended 31 December 2021 \$
3. REVENUE		
Sale of gold at spot	132,730,811	198,491,455
Sale of gold under forward contracts	182,262,366	112,528,170
Total revenue from contracts with customers	314,993,177	311,019,625
4. OTHER INCOME		
Interest income calculated using the effective interest rate method	1,422,879	63,523
Sale of silver	1,040,594	1,030,919
Other income	373,506	322,182
Total other income	2,836,979	1,416,624
5. ADMINISTRATION EXPENSES		
Employee benefits expense		
Salaries and wages expense	3,799,392	2,104,819
Directors' fees and other benefits	623,803	325,757
Other employee benefits	32,925	37,362
Share-based payments expense	215,471	918,895
	4,671,591	3,386,833
Other administration expenses		
Consulting expenses	992,611	1,068,059
Travel and accommodation expenses	111,376	47,634
Other costs	1,954,468	1,051,071
	3,058,455	2,166,764
Depreciation expense		
Property plant and equipment	201,898	199,640
Right-of-use assets (Note 11)	272,360	258,014
	474,258	457,654
Other expenses		
Loss on sale of assets	-	53,638
	-	53,638
Total administration expenses	8,204,304	6,064,889



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	31 December 2022	30 June 2022
	\$	\$
6. INVENTORIES		
Ore stocks	29,828,956	37,699,414
Gold in circuit	11,628,921	20,870,066
Gold metal	7,201,303	-
Stores and spares	47,038,581	44,208,485
Provision for obsolete stores and spares	(7,101,872)	(6,695,876)
Inventories at lower of cost and net realisable value	88,595,889	96,082,089

During the half-year ended 31 December 2022, there were write-downs in inventories of \$578,757 (2021: \$4,216,150) from continuing operations for the Group. This amount was included in the cost of sales line in the Consolidated Statement of Comprehensive Income.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed Shares

These financial assets consist of investments in ordinary shares. The fair value of financial assets at fair value through profit or loss has been determined directly by reference to published price quotations in an open market.

There were no acquisitions or disposals of listed shares during the period.

Movement in investments during the half year ended 31 December 2022 are as follows:

- At the end of the period, the fair value of the Group's investment in Musgrave Minerals Limited was \$1,144,926 (30 June 2022: \$1,335,747).
- At the end of the period, the fair value of the Group's investment in Alto Metals Limited was \$5,229,409 (30 June 2022: \$5,463,561).

The total loss of \$424,974 is reported on the face of the Statement of Profit or Loss and Other Comprehensive Income.

8. PROPERTY, PLANT AND EQUIPMENT

During the half-year ended 31 December 2022:

- the Group paid \$18,434,865 (2021: \$20,172,205) in relation to property, plant and equipment acquisitions.
- The Group received \$4,308,610 (2021: \$149,615) in relation to the sale of plant and equipment and derived a net gain on disposal of \$3,968,887 (2021: net loss of \$53,638).

9. MINE PROPERTIES AND DEVELOPMENT

During the half-year ended 31 December 2022, the Group paid \$57,202,635 (2021: \$81,680,902) in relation to mine properties and development costs. During the period, there were transfers of \$nil (2021: \$3,241,592) to mine properties and development from exploration and evaluation as mining areas commenced development.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

10. EXPLORATION AND EVALUATION EXPENDITURE

During the half-year ended 31 December 2022, the Group paid \$10,275,820 (2021: \$9,693,866) in relation to exploration and evaluation expenditure.

During the period, a review was undertaken for each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. As a result, no areas of interest were determined to be impaired (2021: nil).

11. RIGHT-OF-USE ASSETS

Group as a lessee

The Group has lease contracts for various items of mining equipment, motor vehicles and buildings used in its operations. Leases of mining equipment generally have lease terms between three and seven years, while motor vehicles and buildings generally have lease terms between three and five years.

The Group also has certain leases of assets with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the short-term lease and lease of low-value assets recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Power Stations \$	Premises \$	Mining Equipment \$	Total \$
As at 1 July 2021	4,399,668	2,033,218	826,001	7,258,887
Additions	8,632,818	3,494,392	194,339	12,321,549
Disposals	-	-	-	-
Depreciation expense	(7,282,955)	(924,880)	(557,899)	(8,765,734)
As at 30 June 2022	5,749,531	4,602,730	462,441	10,814,702
As at 1 July 2022	5,749,531	4,602,730	462,441	10,814,702
Additions	277,191	-	-	277,191
Depreciation expense	(3,015,287)	(475,351)	(277,976)	(3,768,614)
As at 31 December 2022	3,011,435	4,127,379	184,465	7,323,279

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Half-year ended 31 December 2022 \$	Half-year ended 31 December 2021 \$
As at 1 July	10,814,702	7,258,887
Additions	277,191	1,851,308
Accretion of interest	378,326	117,697
Payments	(4,146,940)	(4,777,834)
As at 31 December	7,323,279	4,450,058

The following are the amounts recognised in profit or loss:

Depreciation expense for right-of-use assets		
Included in cost of sales	3,496,254	4,402,123
Included in admin expenses (Note 5)	272,360	258,014
Interest expense on lease liabilities	378,326	117,697
Less interest expense capitalised to mine properties and development	-	(117,697)
Total amount recognised in profit or loss	4,146,940	4,660,137

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

12. INTEREST-BEARING LOANS AND BORROWINGS

	31 December 2022	30 June 2022
	\$	\$
Current		
Lease liabilities	4,146,837	6,004,390
Hire purchase arrangements	16,553,324	16,837,629
	20,700,161	22,842,019
Non-Current		
Lease liabilities	3,661,636	4,904,963
Hire purchase arrangements	10,979,232	15,212,829
	14,640,868	20,117,792

13. ISSUED CAPITAL

	31 December 2022	30 June 2022
	\$	\$
Issued capital		
<i>Ordinary shares</i>		
Issued and fully paid	463,232,813	463,468,148
	Number of shares on	\$
	issue	\$
Movements in ordinary shares on issue		
At 1 July 2021	423,925,206	364,077,523
Issued share capital on conversion of options	205,768	-
Issued share capital under dividend reinvestment plan	1,365,192	2,157,835
Share issue costs	-	(213,141)
At 31 December 2021	425,496,166	366,022,217
At 1 July 2022	473,622,730	463,468,148
Issued share capital on conversion of options	-	-
Issued share capital under dividend reinvestment plan	-	-
Share issue costs	-	(235,335)
At 31 December 2022	473,622,730	463,232,813

14. OPERATING SEGMENTS

For management purposes, the Group is organised into operating segments determined by the location of the mineral being mined or explored, as these are the sources of the Group's major risks and have the most effect on rates of return.

Reportable segments comprise the following:

Murchison Operations	Mining, treatment, exploration and development of gold assets
Bryah Operations	Mining, treatment, exploration and development of gold assets

Executive management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Other

Certain income and expenses are managed on a consolidated basis and are not allocated to operating segments. All other adjustments and eliminations are part of the detailed reconciliations presented further below.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

14. OPERATING SEGMENTS (CONTINUED)

The following table presents revenue and profit information regarding the Group's operating segments for the half-years ended 31 December 2022 and 31 December 2021.

Half-Year Ended	Murchison \$	Bryah \$	Other \$	Total \$
31 December 2022				
External revenue				
Sale of gold				
- at spot	102,208,042	30,522,770	-	132,730,811
- under forward contracts	142,038,957	40,223,409	-	182,262,366
Total revenue	244,246,998	70,746,179	-	314,993,177
Segment profit (loss)	(17,203,277)	6,374,447	(3,242,436)	(14,071,267)
31 December 2021				
External revenue				
Sale of gold				
- at spot	149,238,225	49,253,229	-	198,491,454
- under forward contracts	87,151,749	25,376,422	-	112,528,171
Total revenue	236,389,974	74,629,651	-	311,019,625
Segment profit (loss)	23,437,190	10,219,693	(481,555)	33,175,328

The following table presents assets and liabilities of the Group's operating segments as at 31 December 2022 and 30 June 2022.

Half-Year Ended	Murchison \$	Bryah \$	Other \$	Total \$
Segment assets				
As at 31 December 2022	545,361,112	82,178,765	29,150	627,569,027
As at 30 June 2022	557,446,050	73,580,723	44,059	631,070,832
Segment liabilities				
As at 31 December 2022	(146,921,347)	(33,366,576)	-	(180,287,922)
As at 30 June 2022	(167,705,275)	(35,871,982)	(42,705)	(203,619,962)



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

14. OPERATING SEGMENTS (CONTINUED)

Unallocated corporate costs

Finance income and costs, fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are not allocated to operating segments.

	31 December 2022	31 December 2021
	\$	\$
(a) Reconciliation of (loss)/profit		
Segment (loss)/profit	(14,071,267)	33,175,328
Corporate administration expenses	(8,204,329)	(7,511,251)
Corporate interest income	1,422,879	63,523
Corporate other income	1,414,100	1,353,101
Net gains on disposal of financial assets	-	-
(Loss)/gain on fair value changes of financial assets	(424,974)	638,537
Net gains/(loss) on disposal of property, plant and equipment	3,968,887	(53,638)
Total consolidated (loss)/profit from continuing operations before income tax	(15,894,704)	27,665,600
(b) Reconciliation of assets		
Segment operating assets	627,569,027	808,091,481
<i>Unallocated corporate assets</i>		
Cash and cash equivalents	142,512,138	97,952,240
Trade and other receivables	168,403	202,427
Prepayments	544,686	462,784
Other financial assets	3,545,584	1,326,174
Financial assets (equity investments)	6,374,335	9,451,885
Property, plant and equipment	1,876,569	1,201,000
Right-of-use assets	3,222,179	258,161
Total consolidated assets	785,812,921	918,946,152
(c) Reconciliation of liabilities		
Segment operating liabilities	180,287,923	209,194,668
<i>Unallocated corporate liabilities</i>		
Trade and other payables	1,716,350	1,817,628
Provision for employee benefits	2,387,967	2,800,427
Interest-bearing loans and borrowings	3,638,739	286,877
Deferred tax liability	21,177,235	83,177,219
Total consolidated liabilities	209,208,214	297,276,819

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

15. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

All financial instruments carrying values are a reasonable approximation of their fair value.

Fair value hierarchy

The table below illustrates the classification of the Group's financial instruments based on the fair value hierarchy. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with those financial instruments.

	Quoted market price (Level 1) \$	Valuation technique market observable inputs (Level 2) \$	Valuation technique non- market observable inputs (Level 3) \$	Total \$
31 December 2022				
Financial assets				
<i>Instruments carried at fair value</i>				
Listed investments	6,374,335	-	-	6,374,335
	6,374,335	-	-	6,374,335
30 June 2022				
Financial assets				
<i>Instruments carried at fair value</i>				
Listed investments	6,799,309	-	-	6,799,309
	6,799,309	-	-	6,799,309

Quoted market price represents the fair value of listed investments determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.

Transfer between categories

There were no transfers between Level 1 and Level 2, and no transfers into and out of Level 3 fair value measurement.

16. DIVIDENDS PAID

There were no dividends declared in the 31 December 2022 period or subsequent to period end.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

17. COMMITMENTS AND CONTINGENCIES

Commitments

At 31 December 2022, the Group had the following commitments:

- Capital expenditure commitments of \$12,434,971 principally relating to plant and equipment upgrades and the development of the underground mines (30 June 2022: \$15,680,104);
- Tenement commitments of \$46,822,290 relating to tenements on which mining and exploration operations are located (30 June 2022: 47,200,319).

Contingencies

Since the last annual reporting date, there has been no material change in any other commitments or contingencies of the Group.

18. SHARE-BASED PAYMENTS

Performance Rights

On 25 November 2022, 385,233 of performance rights were granted to the company's Managing Director with the following information and key valuation inputs:

	RTSR	ATSR	EPS	Growth
Weighting	30%	30%	30%	10%
Grant date	25-Nov-22	25-Nov-22	25-Nov-22	25-Nov-22
Expected volatility (%)	53.50%	53.50%	N/A	N/A
Risk-free rate (%)	2.97%	2.97%	N/A	N/A
Expected life of options (years)	2.72	2.72	N/A	N/A
Share price at grant date (\$)	\$0.825	\$0.825	\$0.825	\$0.825
Fair value at grant date (\$)	\$0.405	\$0.344	\$0.825	\$0.825

For the RTSR and ATSR issuances, the fair value of the equity-settled share options is estimated using the Monte Carlo simulation that considers factors such as the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying security at grant date, historical and expected dividends and the expected life of the option, and the probability of fulfilling the required hurdles.

For the EPS and Growth issuances, the fair value of each unit is the company's share price at grant date.

For the six months ended 31 December 2022, the Group has recognised \$215,471 of share-based payment expense in the statement of profit or loss (2020: \$918,895).

19. RELATED PARTY TRANSACTIONS

There were no significant related party transaction during the financial period.



20. IMPAIRMENT

As at 31 December 2022, the company identified a market capitalisation deficiency when compared to the carrying value of its net assets. The existence of a market capitalisation deficiency is an impairment indicator as defined by *AASB 136 Impairment of Assets*. As a result of the identification of an impairment indicator, the company completed an impairment assessment for each of its cash-generating units – *Murchison CGO*, *Murchison MGO* and *Bryah*. The assessment was last performed for the 30 June 2022 period.

In performing the impairment assessment, the company determined that the carrying value of each CGU did not exceed its recoverable amount. Therefore, no impairment was recorded for the 31 December 2022 period (30 June 2022: \$175,535,410).

Key Assumptions

The table below summarises the key assumptions used in the 31 December 2022 year end impairment assessment. These assumptions remained unchanged since the 30 June 2022 assessment:

Assumption	Value
Gold price (\$/oz)	A\$2,400/oz nominal
Inflation rate	2.5% per annum
Discount rate	5.5% real post tax

Sensitivity Analysis

Any variation in the key assumptions impacts the recoverable value of the CGU's. In its 31 December 2022 assessment, the recoverable amount was approximately the same as the carrying amount for each CGU. Therefore, if the variation in an assumption has a negative impact on recoverable value, it could indicate a requirement for additional impairment of non-current assets for any of the CGU's. Reciprocally, if the variation in an assumption has a positive impact on recoverable value, it could indicate a requirement for a reversal of impairment charged and accumulated in the prior period.

It is estimated that changes in key assumptions, in isolation, would have the following approximate (increase or decrease) on the recoverable amount of each CGU as at 31 December 2022.

Murchison CGO	Increase in key assumption \$'m	Decrease in key assumption \$'m
10% change in gold price (A\$/oz.)	132	(132)
1% change in inflation rate	(53)	50
1% change in discount rate	(12)	13
10% change in operating costs	(86)	86

Murchison MGO	Increase in key assumption \$'m	Decrease in key assumption \$'m
10% change in gold price (A\$/oz.)	81	(81)
1% change in inflation rate	(20)	19
1% change in discount rate	(3)	3
10% change in operating costs	(74)	74

Bryah	Increase in key assumption \$'m	Decrease in key assumption \$'m
10% change in gold price (A\$/oz.)	39	(39)
1% change in inflation rate	(10)	10
1% change in discount rate	(2)	2
10% change in operating costs	(32)	32

21. EVENTS AFTER THE BALANCE DATE

There are no other significant events after the balance sheet date.



DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Westgold Resources Limited (the Company), I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in blue ink, appearing to read 'Cheryl L Edwardes'.

Hon. Cheryl L Edwardes AM
Non-Executive Chair

23 February 2023

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AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

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Auditor's independence declaration to the directors of Westgold Resources Limited

As lead auditor for the review of the condensed half-year financial report of Westgold Resources Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Westgold Resources Limited and the entities it controlled during the financial period.

Ernst & Young

T S Hammond
Partner
23 February 2023

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INDEPENDENT REVIEW REPORT



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Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's review report to the members of Westgold Resources Limited

Conclusion

We have reviewed the accompanying condensed half-year financial report of Westgold Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the condensed half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the condensed half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the condensed half-year financial report

The directors of the Company are responsible for the preparation of the condensed half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the condensed half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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INDEPENDENT REVIEW REPORT (CONTINUED)



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Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's responsibilities for the review of the condensed half-year financial report

Our responsibility is to express a conclusion on the condensed half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the condensed half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

T S Hammond
Partner
Perth
23 February 2023

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