

27 April 2023

## March 2023 Quarterly Activities Report

### HIGHLIGHTS

- WGR assesses pathway of the Gold Duke project towards production and explores processing solutions at nearby plants.<sup>1</sup>
- Heap Leach test work commenced by experienced Perth-based BHM Process Consultants that will also assess the Heap-leach potential of oxide ore which has potential to provide a low-cost higher profit production pathway.<sup>1</sup>
- Existing mining approvals in place at the Eagle, Emu and Golden Monarch deposits with approvals progressing for the Gold King deposit.<sup>1</sup>
- Pit and mining schedule re-optimisation underway to reflect higher gold prices and ensuring WGR takes advantage of the current strength in the gold price.<sup>2</sup>
- Results received for 3510m of Reverse Circulation (RC) drilling completed at the highly prospective Kingfisher North and Topknot prospects at the Gold Duke project that was funded with a WA government EIS drilling grant.<sup>3</sup>
- Highlights from the returned assays include shallow down hole intersections of:
  - 16m @ 700 ppm Ni from 32m including 4m @ 1562 ppm Cu from 32m (WGRC0482)
  - 12m @ 1165 ppm Ni from 48m (WGRC0482)
  - 18m @ 750ppm Ni from 52m (WGRC0489)
  - 8m @ 1232ppm Ni from 8m (WGRC0507)
  - 4m @ 1091ppm Ni from 8m and 8m @ 0.78 g/t Au from 24m (WGRC0510)
  - 16m @ 787ppm Ni from 20m and 4m @ 0.28 g/t Au from 36m (WGRC0513)
- WGR considers that the length of anomalous material intersected suggests the area can be considered fertile for nickel accumulations and warrants further exploration.

Western Gold Resources Limited (ASX: WGR) (“WGR” or “the **Company**”) is pleased to provide shareholders with its quarterly report for the three-month period ending 31 March 2023.

### WGR Managing Director Warren Thorne commented:

*“This quarter has seen WGR begin work to bring the Gold Duke project into production. Based on the drilling results of the last two years, WGR believes there is strong business case for the project to be brought into production. WGR has started conversations with nearby processing plants as well as re-optimising mine plans and schedules to reflect the current gold price. In parallel, WGR has engaged Perth-based BHM Process Consultants to determine the amenability of the orebodies to heap leaching which is potentially a lower cost / higher profit operation. Drilling results from the Kingfisher North and Topknot prospect intersected*

<sup>1</sup> Refer ASX announcement 13<sup>th</sup> March 2023

<sup>2</sup> Refer ASX announcement 31<sup>st</sup> March 2023

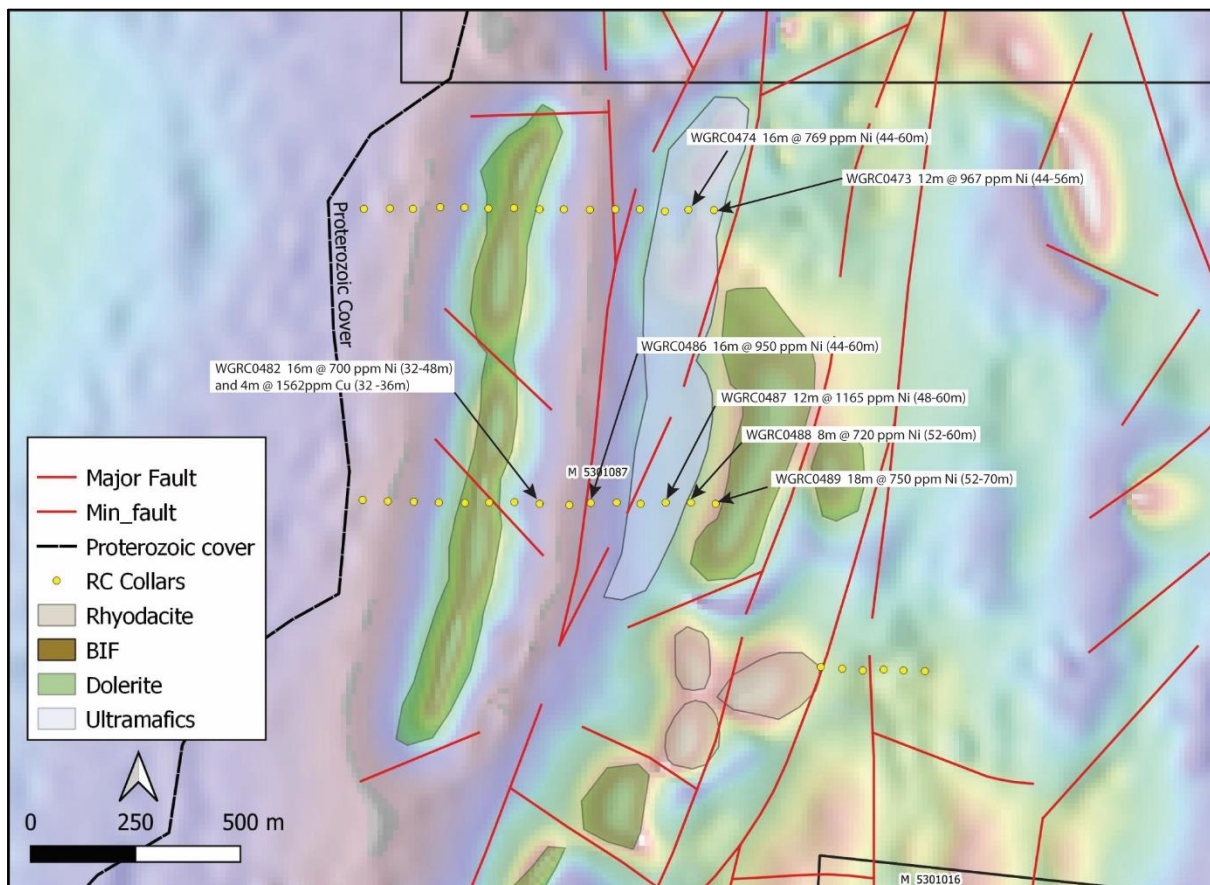
<sup>3</sup> Refer ASX announcement 29<sup>th</sup> March 2023

*anomalous Ni, Cu, and Au values under shallow Proterozoic cover and give WGR confidence that their exploration strategy is close to finding a deposit of some significance”.*

## Exploration Drilling

### North Kingfisher

Thirty-six RC drillholes for 2280m were drilled to test interpreted intrusive and fault splays of the Brilliant and Joyners Shear Zones. This drilling was co-funded by a WA Government EIS drilling grant of \$118,500 (see ASX announcement 28th October 2021). Drilling intersected Archaean greenstone of the Joyners Find Greenstone below 20-60m of Proterozoic Finlayson Member (Figure 1) which deepens to the north and to the east. Archean rocks intersected consisted of gabbroic, ultramafic, and mafic schists with several rhyodacite intrusions.



**Figure 1. Kingfisher North prospect displaying drill results with geological and structural interpretation on TMI (1VD)**

Significant intercepts include:

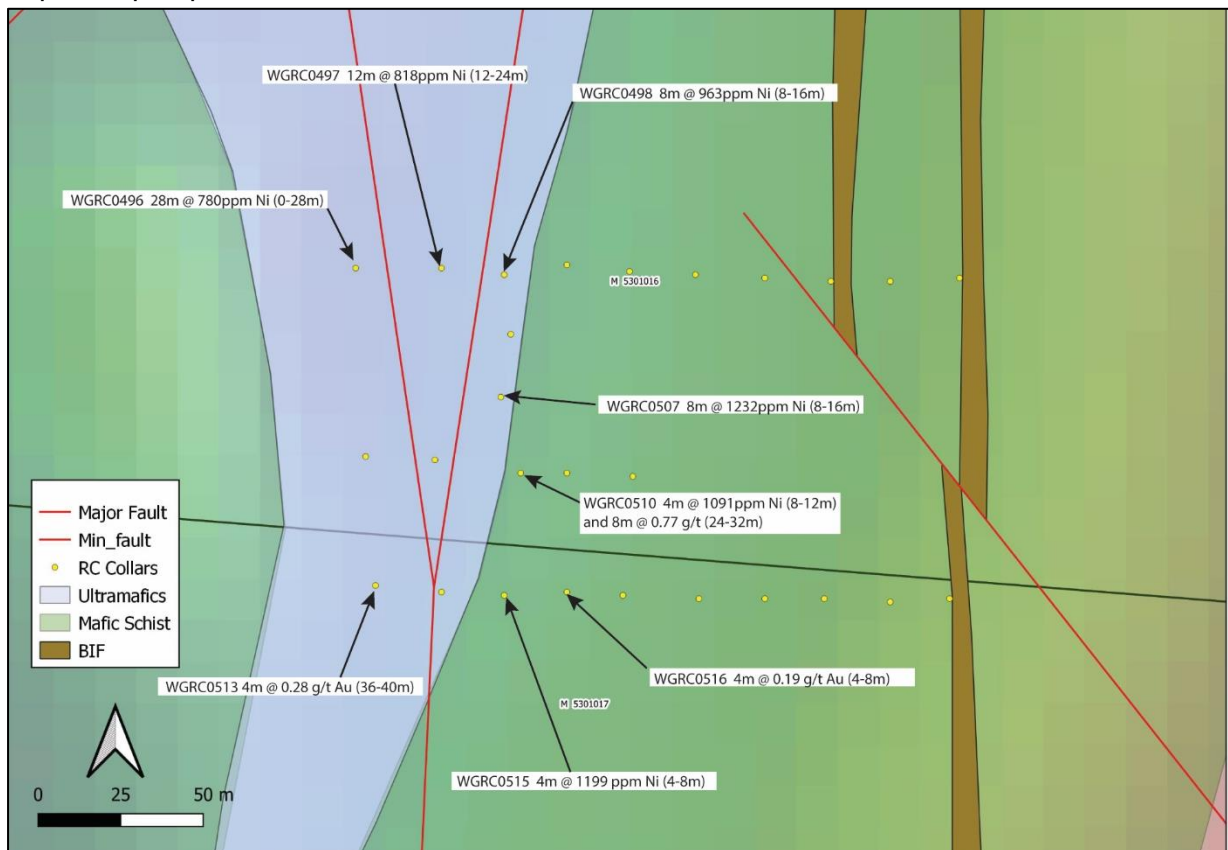
- 16m @ 700 ppm Ni from 32m including 4m @ 1562 ppm Cu from 32m (WGR0482)
- 16m @ 871 ppm Ni from 44m (WGR0473)
- 12m @ 1165 ppm Ni from 48m (WGR0487)
- 16m @ 950 ppm Ni from 44m (WGR0486)
- 12m @ 750ppm Ni from 52m (WGR0489)

Drill hole WGR0482 intercepted a coarse-grained gabbroic unit at the end of hole while the surrounding drill holes were typically finer grained. It is interpreted from this that the drill holes with anomalous nickel and copper may represent a separate intrusive unit within a complex series of units making up the larger overall intrusion. Lithology observations indicated a distinct zonation as to more ultramafic rocks from west to east with drill holes WGR0486 to WGR0489 intercepted a fine-grained ultramafic unit with elevated Ni. This ultramafic unit is

approximately 200m wide and is intersected in both regional traverses (Figure 1). The results from lithological drilling and RC assay results strongly supports the interpretation that the Kingfisher North is a layered mafic intrusion with high prospectivity for Ni and Cu mineralisation.

### Top Knot

The Top Knot prospect is located on the Joyner Find Shear Zone (JFSZ) and contains numerous shallow historic shafts hosted within a package of intercalated ultramafic and chert rocks. The drilling tested co-incident targets previously generated from a SubAudio Magnetics (SAM) survey (see ASX announcement 11 November 2021) and soil geochemistry (see ASX announcement 17 February 2022). A total of 27 holes for 1230m are completed to target the intersection of NNE-trending faults and the JFSZ, interpreted to control mineralisation at the Top Knot prospect.



**Figure 2. Topknot prospect displaying drill results with geological and structural interpretation on TMI (1VD)**

Significant intercepts include:

- 8m @ 1232ppm Ni from 8m (WGRC0507)
- 4m @ 1091ppm Ni from 8m and 8m @ 0.78 g/t Au from 24m (E.O.H; WGRC0510)
- 16m @ 787ppm Ni from 20m and 4m @ 0.28 g/t Au from 36m (E.O.H; WGRC0513)
- 4m @ 1199 ppm Ni from 4m

At Topknot (Figure 2), drilling has returned encouraging results along the ultramafic-mafic contact. This first pass drilling program along a northerly section of the JFSZ (Figure 1) confirms the potential for a gold discovery within the target corridor defined by the SAM survey. Approvals are in place to test northerly and southern extensions to these results.

## **Development**

WGR has started work to assist in the development of the Gold Duke project towards mining. These include:

1. Reviewing and updating pit optimisations and mine planning to reflect the significantly higher gold price in 2023.
2. Submitting mining approvals for the Gold King deposit located just 500m to the south of the Golden Monarch deposit. It's incorporation into the mining schedule is likely to increase mining efficiencies between the two deposits.
3. Engaging Perth-based BHM Process Consultants to determine the amenability of the orebodies to heap leaching which is potentially a lower cost / higher profit operation. WGR has begun test work and results are expected in late Q2, 2023
4. Discussions with nearby plants within an economic radius of the project.

## **Planned Activities for the June Quarter**

WGR aims to continue moving toward development of its existing deposits in addition to greenfields exploration across the northern portion of the project. Work programs will include:

- Based off results from preliminary results from heap leach test work, additional workflows and drilling will be planned.
- Re-sampling of anomalous results and bottom-of-hole geochemical sampling to allow aid exploration targeting.
- Heritage surveys to compliment mining approvals.
- Mining approval submission for the Gold Duke Project.
- First-pass mapping of exploration tenement E53/2240, prospective for Ni and REE mineralisation.



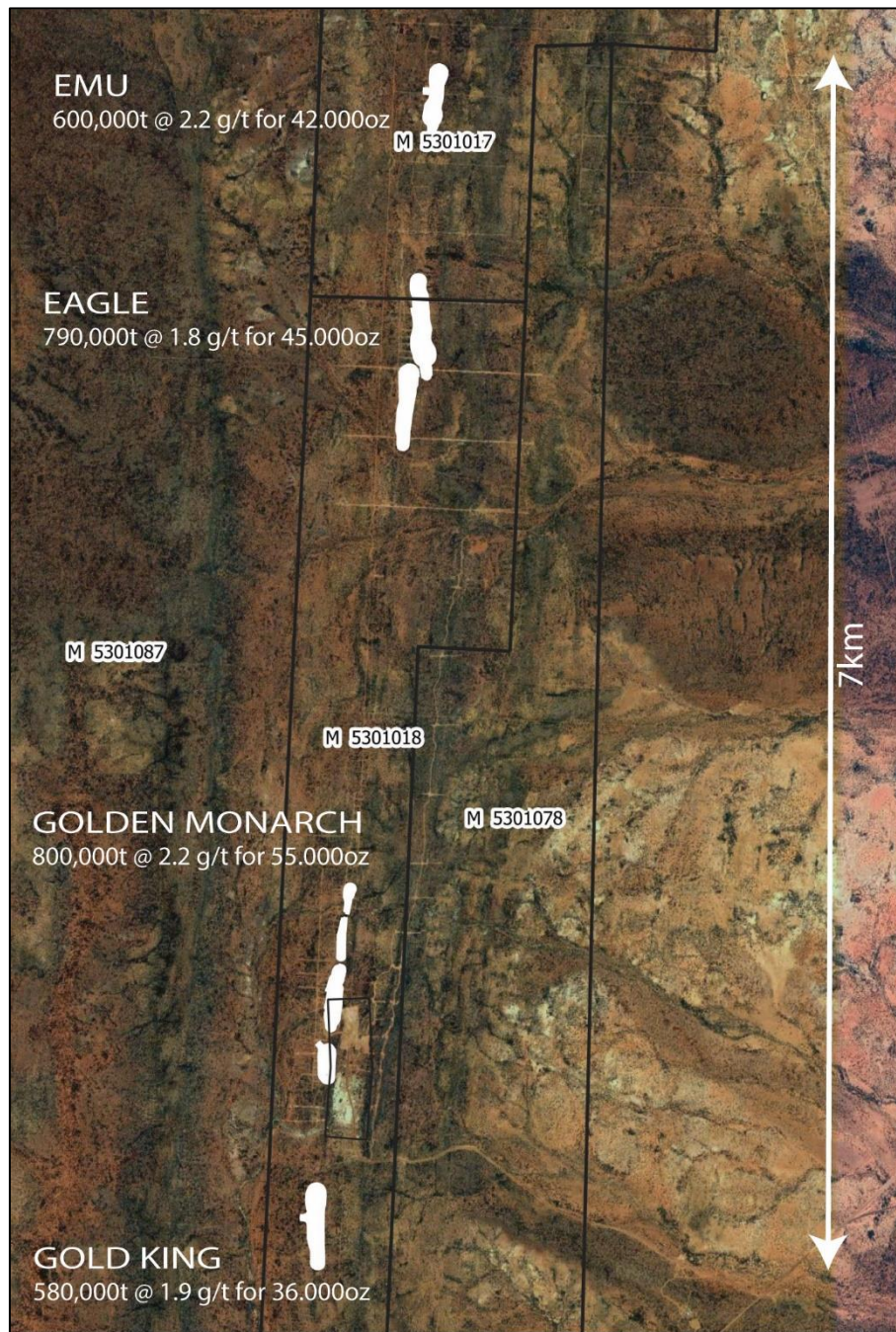


Figure 3. Optimized pit outlines and resource estimates for Gold Duke project

## Corporate

Cash on hand at the end of the quarter was \$1.093 million.

## Other Matters

In accordance with the reporting requirements of ASX Listing Rule 5.3 the Company advises as follows:

- It has spent \$68,000 on exploration and evaluation activities during the quarter. There was no mining development or production activities conducted during the quarter.
- Expenditure predominantly related to:
  - Exploration Drilling at the Gold Duke Project.
  - Mining optimisation and approvals
- Comparison of Actual Expenditure to the Use of Funds Statement in the Prospectus dated 18 May 2021 and for the period since listing on 23 July 2021.

Use of Funds	Note	Use of Funds Statement \$'000's	Actual Expenditure YTD \$'000's	Variance
Exploration on the Gold Duke Project	1	\$4,400	\$4,355	<sup>1</sup> \$45
Exploration on Gold Duke Project funded by GWR to be repaid	-	\$300	\$273	\$27
Operating and administration expenses and general working capital	1	\$1,246	\$546	<sup>1</sup> \$700
Directors Fees and Salaries	3	\$523	\$624	<sup>3</sup> (\$101)
Costs of Offer – Fundraising	-	\$470	\$470	-
Costs of Offer – other	2	\$60	\$195	<sup>2</sup> (\$135)
<b>Total</b>		<b>\$7,000</b>	<b>\$6,463</b>	<b>\$536</b>

<sup>1</sup> The variance for these amounts is timing related

<sup>2</sup> The variance for this amount relates to costs of the IPO allocated in operating and administration expenses for the purposes of the Prospectus.

- <sup>3</sup> Variation due to additional cost of contractor staff to complete exploration programs

- During the Quarter, the Company made payments to related parties of \$88,000 comprising remuneration paid to Directors.

This ASX announcement was authorised for release by the Board.

### For further information please contact:

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## **Competent Person's Statement**

*The information in this report which relates to Exploration Results is based on information compiled by Dr Warren Thorne, he is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a full-time employee of the company. Dr Thorne who is an option-holder, 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 defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Dr Thorne consents to inclusion in the report of the matters based on this information in the form and context in which it appears.*

*Where the Company refers to previous Exploration Results and to the Mineral Resource estimate included in its recently announced Prospectus dated 18 May 2021 and in previous announcements, it notes that the relevant JORC 2012 disclosures are included in the Prospectus and those previous announcements and it confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all information in relation to the Exploration Results and material assumptions and technical parameters underpinning the Mineral Resource estimate within those announcements continues to apply and has not materially changed.*

**Table 2 Tenement Schedule March 2023 Quarter**

Western Gold Resources Limited has an interest in the tenements summarised in Table 2 below through its wholly owned subsidiary Wiluna West Gold Pty Ltd.

**a) Interests in tenements as at 31 March 2023**

The Tenements are located in the Wiluna area of Western Australia. Granted Mining Licences are within their first 21 year term and are held by GWR Group Limited.

Tenement	Status	Holder	Nature of interest	Percentage Held
<b>Expl/Mining Licences</b>				
M53/971-I	Granted	GWR Group Limited 100%	Subject to Deed of Co-operation with GWR <sup>1</sup>	0%
M53/972-I	Granted	GWR Group Limited 100%	" "	0%
M53/1016-I	Granted	GWR Group Limited 100%	" "	0%
M53/1017-I	Granted	GWR Group Limited 100%	" "	0%
M53/1018-I	Granted	GWR Group Limited 100%	" "	0%
M53/1087-I	Granted	GWR Group Limited 100%	" "	0%
M53/1096 I	Granted	GWR Group Limited 100%	" "	0%
E53/2202	Granted	Wiluna West Gold Pty Ltd 100%	Wholly owned subsidiary of WGR	100%
E53/2240	Granted	Wiluna West Gold Pty Ltd 100%	Wholly owned subsidiary of WGR	100%
<b>Miscellaneous Licences</b>				
L53/115, L53/146, L53/147-148, L53/177-179 and L53/190	Granted	GWR Group Limited 100%	" "	0%

<sup>1</sup> Wiluna West Gold Pty Ltd (a wholly owned subsidiary of the Company), has entered into a Deed of Co-operation with GWR Group Limited which provides for the co-ordination of their respective activities within the Wiluna West Iron Project and Gold Duke Project areas. The Company has been granted full, free and exclusive rights to exercise the mineral rights to all minerals other than iron ore in the tenement area.

The Company has assumed all obligations under a Gold Royalty Deed in relation to a royalty on gold recovered from the land the subject of M 53/1016- 1, M 53/1017-1 and M 53/1018-1, payable to George Francis Lee (Lee) and David Jones Roberts (Roberts), the original vendors of these tenements.

**b) Tenements acquired and disposed of during the Quarter**

No tenements were acquired or disposed of during the Quarter

**c) The beneficial percentage interests held in farm-in or farm-out agreements at the end of the Quarter**

None



- d) **The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the Quarter**

None

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Western Gold Resources Limited

ABN

54 139 627 446

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(68)	(1,208)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(73)	(213)
	(e) administration and corporate costs	(33)	(176)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST received)	44	44
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(129)</b>	<b>(1,552)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	512	512
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>512</b>	<b>512</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	710	2,133
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(129)	(1,423)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	512	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,093</b>	<b>710</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,093	710
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,093</b>	<b>710</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	88
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Not applicable		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(129)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(129)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,093
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,093
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	8.47
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

27 April 2023

Date: .....

The Board

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.